THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Cleveland Chinese and American Justice

Japan's Great Blunder In Manchuria

Marshal Tsao Kun Desires Company in His Solitude

By G. Zay Wood

A British Merchant On China

The Customs Surtax and Famine Prevention

By Lawrence Impey

許密勒報

SATURDAY, JAN. 2, 1926

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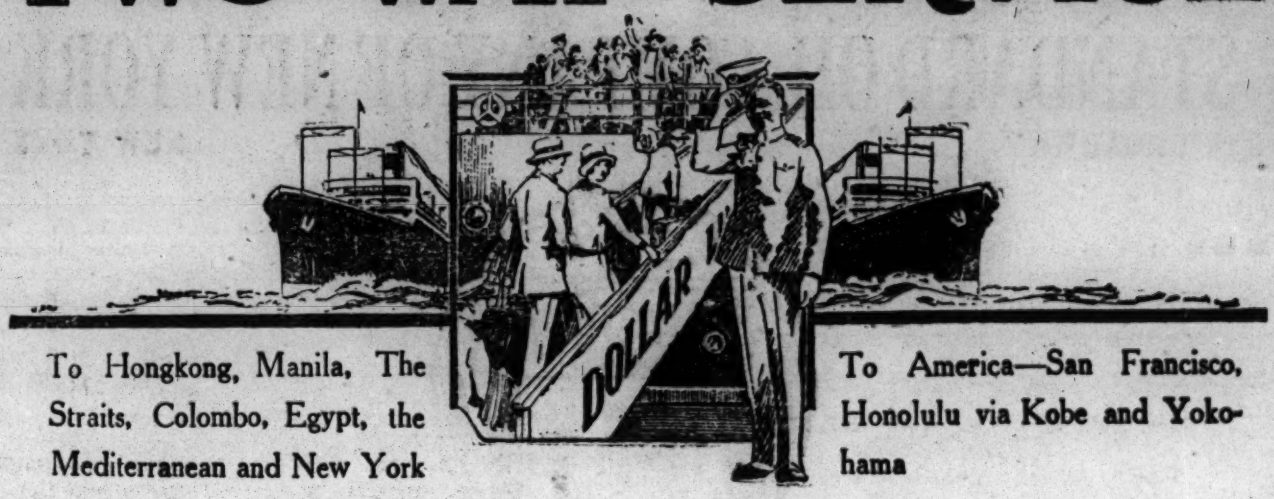

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Contents

Editorial Paragraphs
- Japan's Great Blunder in Manchuria 121
- Cleveland Chinese and American Justice 122
- Delegates to the Extrality Conference 123

Special Articles
- Marshal Tsao Kun Desires Company in Solitude ..... By G. Zay Wood 124
- A British Merchant on China 126
- Proposed Reforms in Kwangtung Red Army 138
- A Survey of the Silk Industry of Central China 144

Supplement
- The Customs Surtax and Famine Prevention ..... By Lawrence Impey 131

News from South China 140
News from Central China 142
Men and Events 145
New Books and Publications 146
The Week in the Far East 147
General News Summary 147
What Ships Carry between America and China v

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JAPAN'S GREAT BLUNDER IN MANCHURIA

IT will be very difficult for Japan's propagandists to convince the average Chinese that the sudden and unexpected "come-back" of Marshal Chang Tso-ling was not accomplished with Japanese help. The *coup d'etat* against the Mukden warlord was effected by General Kuo Sung-lin, Chang's former staff officer just about a month ago. During the month General Kuo fought his way north along the Peking-Mukden Railway for a distance of approximately 700 miles to the very gates of Mukden. Chang's great military machine built up in recent years crumbled up and his soldiers fled back toward Chang's capital, a disorganized mob. Chang was finished and knew it and announced his retirement to private life. General Kuo's advance toward Mukden was slow on account of the cold weather and also because of the destruction wrought to the railroad by Chang's retreating army.

AS General Kuo and his section of the Kuominchun, or National Army, neared Mukden, the anxiety of the Japanese increased. First there was the usual announcement that no fighting would be permitted in the vicinity of the zone of the South Manchuria Railway. Then as Kuo's victory became more complete and as he neared the vicinity of Mukden, the Japanese announced that no fighting would be permitted within six miles of Mukden. Then we had the announcement that Mukden, the capital of Manchuria and the headquarters of Marshal Chang Tso-ling, had been occupied by Japanese troops. This looked a little raw even for the Japanese Foreign Office, so a rather involved explanation was telegraphed to the Chinese newspapers by the *Eastern (Japanese) News Agency*, to the general effect that Chang would not be permitted to use the Mukden arsenal and that in case he was defeated, he would not be permitted to re-enter the city. Likewise General Kuo and his troops would not be permitted to enter Mukden and the soldiers of both sides were to be kept out of the railway zone.

THERE is of course a long possibility that Chang Tso-ling *withdrew* purposely in a disorganized manner and that his acknowledgement of defeat and announcement of intention of retirement to private life, were merely strategic statements and actions, designed to *fool* his enemy and that General Kuo fell into the trap. But it will be difficult to make the average Chinese believe this. The average Chinese thinks, and we gain this from private conversations and a study of the vernacular press, that Chang's "comeback" was financed by the Japanese, planned by the Japanese, and possibly effected by

Japanese troops which were scattered through Chang's lines. Furthermore, the mysterious arrest and execution of General Kuo by Chang's officers and the sudden switching of many of Kuo's officers to the other side will be hard to explain except that Japanese spies and money were used in the process. The Japanese government will, in fact already has, gone to vast pains to explain the "neutrality" of its position in Manchuria and how the Japanese stood aside and permitted the Chinese to fight without interference—except the six-mile order—but what the Japanese will have difficulty in explaining will be the activities of the all-powerful and all-inclusive South Manchuria Railway Company. This vast financial and imperialistic enterprise which does everything, including the thinking, for the Japanese in Manchuria, has for years been the real governing power in Manchuria. Marshal Chang Tso-ling, the former bandit, has been the willing and unwilling tool of the Railroad, and the Railroad, with the financial organs affiliated, naturally stood to lose with the downfall of Chang. Several days ago there was a story published in one of the Shanghai newspapers to the effect that the Japanese stood to lose $60,000,000 through the collapse of Chang's paper currency. Yesterday there was a Mukden story in the Shanghai papers stating that Chang's currency had immediately gone up again, following the defeat and murder of General Kuo. If the Japanese in Manchuria stood to lose $60,000,000 through the defeat of Chang, they probably decided that it was worth the gamble to venture a little and help Chang come back. Also they had sufficient influence in Tokyo to force the Japanese government to increase the military force in Manchuria. Just how many Japanese troops have been put into Manchuria in recent weeks is unknown and probably will remain unknown. The Japanese have stated that they have merely increased the force to normal strength—about 8,000 troops—but an American, who should know what he is talking about through long experience in that region, made the statement recently that there are now at least 20,000 Japanese troops in Manchuria both inside and outside the Railway zone.

THE Chinese are becoming restive over this Manchurian situation. There was a mass-meeting scheduled for last Sunday and the radical papers are paying much attention to the situation. What the final result will be is unknown at this time, but from present indications, it appears that the Japanese imperialists and the militarists have undone most of the work of the Japanese liberals in recent years in conciliating China. All the Chinese need do is to contrast the actions of the British and the Japanese to realize the difference. The British, despite extreme provocation at Canton and the strongest possible pressure by their Far Eastern interests, have not intervened. The British government, despite all of the anti-British agitation in China has followed a strictly neutral policy. The British have taken their medicine and in the case of the Shanghai troubles of May 30 last have taken a long step in extending the hand of fellowship and friendship toward the Chinese. But the Japanese, when faced with a possible menace to their interests in Manchuria lacked the guts. They have intervened and have acted in a way which is clearly not neutral. The Manchurian interests of Japan, while important, are not the *most important* Japanese interests in China. Japan's big stake in China is the friendship and trade of all China. It's the trade of all China which absorbs one-third of Japan's exports of manufactured products. It's the trade of all China which makes for prosperity in Japan. But despite this the little ring of capitalists and politicians and militarists in Tokyo which controls the Manchuria interests and influences Japanese foreign policy in respect to China, has again committed a monumental blunder. Japanese propaganda will strive manfully to "explain" what has taken place in Manchuria in respect to assistance rendered to Chang Tso-ling, but as stated previously, it will require a lot of explaining to convince many Chinese that Chang made his "come back," without Japanese assistance. And furthermore, the Japanese will, in all probability, now find Chang a doubtful asset, for his influence in China will be nil and his only function will be to serve his Japanese masters and keep China disorganized—which after all is Japanese imperialist policy in China.

CLEVELAND CHINESE AND AMERICAN JUSTICE

IT is peculiarly irritating, not to say humilating that, at a time when the subject of extraterritoriality and its proposed abolition in China is very much to the fore in both native and foreign press, news should be received of what certainly appears to be a case of flagrant misjustice which has recently been perpetrated against Chinese nationals in the city of Cleveland, Ohio, U.S.A. According to an admirably restrained article published in the November News Number of *The Chinese Christian Student* the body of a Chinese named Yee Chock was found on September 22 in Cleveland China Town. The man had evidently been murdered, and the police department with commendable but ill-directed zeal set to work to discover the murderer. Illustrating a state of mind which is all too common among any people when dealing with representatives of another race and which was noticeable in the methods followed by the Chinese and Manchu officials of Canton in dealing with foreigners a hundred years ago, the police department of Cleveland, under the orders of the Director of Public Safety, assumed that the name of the murderer *must* be known by some member of the Chinese community and accordingly decided upon a raid of the Chinese quarter: "Chinese laundry men were pulled from behind their ironing boards; waiters and proprietors of eating places were taken away from their tables. Men, women, children, merchants, servants and students were all dumped into the jail in a most unlawful way and were forced to stay there for days."

THE attitude of mind which holds an entire *group* responsible for the misconduct—even though the misconduct be criminal—of an *individual* is mediaeval and unworthy of America. It is the attitude assumed by the Chinese and Manchu governors, viceroys, and Imperial High Commissioners at Canton—and elsewhere, at times—in dealing with foreigners who were unlucky enough to arouse their ire during the early years of the nineteenth century—moreover it was one of the causes contributing to the outbreak of the first Anglo-Chinese war in 1849. Captain Charles Elliot and the British community were shut up in the factories at Canton by Commissioner Lin in that year, as a means of holding them responsible for the opium traffic, and the siege of the factories with their British occupants was not lifted until Elliot had promised that all opium under British control in Chinese waters should be surrendered to the Imperial High Commissioner. As

far as we can see there is no difference in *principle* in the methods followed in Canton eighty-seven years ago by Commissioner Lin and those followed in 1925 by the Director of Public Safety of Cleveland, Ohio, in the "Christian" and "civilized" land of America. The incident in Cleveland is, however, *more reprehensible* than the Elliot-Lin affair for the reason that almost a century has pased since the earlier one occurred, a century in which the world is supposed to have made great advances along legal and humanitarian lines; moreover, Lin knew nothing of international law and customs even as the Cleveland police with less reason appear to know nothing. Lin had good reasons for his ignorance; the Cleveland police have not.

THE Cleveland affair is rendered the more disgraceful by the fact that this is not the first time that such an incident has occurred in the United States as reference to Congressional Documents, the file of the *Journal of the American Asiatic Association*, Coolidge's *Chinese Immigration*, and Mac Nair's *The Chinese Abroad* will unhappily demonstrate. In the last named work we read, for example: "On Sunday, October 11, 1903, at about 7:30 p.m., the Chinese quarter of Boston was raided by a group of police and immigration officials: of the thousands rounded up, two hundred thirty-four could not at once produce their certificates; most of these were herded into two small rooms overnight and detained until the next day. Several were injured by the rough handling. Forty-five of the two hundred thirty-four were later deported. The citizens of Boston protested, as did the Chinese minister, but without effect: no participating officer was punished or censured, and no Chinese obtained reparation for injury or insulty."

IN connection with the case just referred to and in the light of the criticism often made as to Chinese proclivities for untruthfulness it is interesting to add the following statement of a well-known lawyer, Mr. Max J. Kohler whose services were retained in the Boston case: "....the excessive zeal of the Chinese inspector who instituted these proceedings, induced him recklessly *to swear falsely* in each of the hundreds of complaints, on which these men were held. He admitted on the witness stand that his allegation that defendants were Chinese laborers was false, and that he had no knowledge whatever as to the occupation of the hundreds of persons concerning whom he undertook to swear positively upon his own knowledge."

ASIDE from the illegality of such proceedings as those in Boston and Cleveland—and we have only to remember the furore created by the Linchong to realize how Americans would feel if such an affair had occurred in China. *Bandit*—(not police) attack upon the Blue Express—we must take into consideration the humiliation suffered by innocent Chinese some of whom may well have been American citizens, and most of whom could not possibly know who had committed murder since Chinese murderers are little more likely than American or European murderers to take a whole community into their confidence! The financial losses suffered by those innocently involved could not have been small when the facts are taken into account that many shops were forced to suspend business operations during the detention of the owners, and that one serious fire resulted in which several shops were badly damaged.

THE reporter of this Cleveland affair in the magazine mentioned above comments pointedly upon the factors involved in such a situation. "China is a weak nation. She will not and can not dispatch her navy and air force to the territory of America, as other powers, including the U.S.A., would if such a case should have happened in China. This docility, however, is not due to the insensibility of humiliation and dishonor on the part of the Chinese people and their government. Her feeling is deeply wounded and this wounded feeling is, under circumstances, suppressed temporarily. It will persist until it is duly redressed." This writer, a Chinese student, is wholly justified in taking the position he does. It is quite true that were such an incident as that which occurred in Cleveland to occur in China, American protests would come thick and fast, and would be backed up with American forces--and America would be justified in taking such action. It is equally true that, as the reporter of the incident further comments, "One blunder like the Cleveland incident will set back the hour-hand for a long distance on the clock of mutual understanding between peoples. Few Chinese will remember the results of the recent conferences in Baltimore, Swarthmore, Olivet, etc., but all Chinese will well remember the inhuman and unlawful handling of their fellow citizens in Cleveland."

AT a time when many of the Chinese people and their leaders are clamoring for the abolition of extraterritoriality in this country and when large numbers of foreigners are replying that China should wait until her Judiciary—courts and codes of law—equals that of the West it is most regrettable to have such an incident as the one under consideration occur in as advanced a country judicially as the United States is credited with being. A Chinese with a sense of irony might be tempted to suggest that it would be well for China to demand extraterritorial privileges for her nationals in America! If America cannot assure, and carry out her promises of safety to Chinese subjects in that country in the future any better than she has done at times in the past, she has very little ground to stand on in a debate with China over the justice of extraterritoriality for her nationals in this country. Must we come off the plane of JUSTICE in discussing such problems and admit that we are only hypocrites after all, and that FORCE is the only thing that counts? We should hope not, but final judgement on this matter must unhappily be deferred to a later date.

DELEGATES TO THE EXTRALITY CONFERENCE

OWING to the disrupted railway traffic which made it impossible for some of the delegates to reach Peking, it has been announced that the Commission on Extraterritoriality, which was scheduled to meet on December 18, has been postponed. What effect this postponement will have is not known, but Marshal Feng Yu-hsiang has announced that he favors the immediate meeting of the Commission just as soon as the delegates can reach the capital. The delegates from the various nations are as follows:

China, Dr. Wang Chung-hui.

The United States, Mr. Silas H. Strawn and Mr. J. E. Jacobs.

Belgium, M. J. de Ruello: M. A. Van Cutsem; M. A. Sergysels.

France, M. le President Toussaint, Procurator-General at Hanoi.

Denmark, H. E. M. Henrik de Kauffmann and M. L. P. Tillitse.

Sweden, Barden Carl Leijouhufvud.

Portugal, H. E M. Joas Antonio de Bianchi.

Great Britain, Sir Skinner Turner, Judge of His Majesty's Supreme Court of China.

Spain, Don Manuel Acaly Marin, secretary to the Spanish Legation.

Netherlands, M. D. A. de Kat Angelino.

Italy, M. de Rossi.

Norway, H. E. M. Michilet.

Peru, Schoy Shiarde Kantice.

Japan, Mr. Hioki, Minister to China and the following assistants:

Mr. Sadao Saburi, Chief of Commercial Affairs Foreign Office.

Mr. A. Shigemitsu, Councillor, Japanese Legation, Peking.

Mr. Ronzo Sawada, Secretary, Japanese Legation, Peking.

Mr. Waro Moriya, Secretary, Foreign Office.

Mr. Kanzo Shiozaki, Secretary, Foreign Office.

Mr. Yonetaro Miyake, Procurator, Justice Department.

House Passes Bill Exempting Americans In China From Income Taxes

That there are strong prospects that the American citizens residing in China are to be exempted from the United States Domestic income taxes is indicated in cables which the American Chamber of Commerce has received recently. According to the December 25 Bulletin of the Chamber an amendment has been attached to the Revenue Tax Bill now before Congress which will have the effect of exempting most American residents of China and other foreign countries from the American income taxes. The bill has passed the House of Representatives and is now before the Senate.

It is understood that the amendment to the Revenue Bill exempts American individuals from the standpoint of the Income Tax upon their salaries, or on commission on sales of American products exported from the United States. In order to obtain the exemption the individual must be employed outside of the United States for a period exceeding six months.

In case the Senate also approves the amendment to the Revenue Bill and Americans in China obtain exemption from the domestic income taxes of the United States, this will mark the culmination of efforts by the American Chamber of Commerce, American Association, and other American organizations in China and in other foreign countries for a number of years. The American Chamber of Commerce in Shanghai as well as American Chambers in Tientsin, Peking, Hankow and Harbin, began a campaign in 1917 to induce Congress to exempt American citizens residing in this part of the world and also American companies trading in China from the operation of the domestic tax laws, pointing out that the United States Government is the only country in the world which follows this practice, which thus has the effect of handicapping Americans in their competition with other foreign concerns.

Congress finally passed the China Trade Act, a measure designed to relieve American companies from the corporation income taxes, but it required several years before this legislation was in a workble form. In the meantime American organizations in the Philippines, South America and Europe, joined in the agitation for exemption from personal income taxation.

Finally the American organizations were able to obtain the support of the Secretary of Commerce, Mr. Hoover and of the Chamber of Commerce of the United States and it is thought that the present action by Congress is largely a result of Mr. Hoover's efforts.

Marshal Tsao Kun Desires Company in Solitude

BY G. ZAT WOOD

THE life of Marshal Tsao Kun in Yi Ching Lou, one of the imposing and well-built houses of old fashioned Chinese splendor inside the Hsin Hwa Palace, where he has been confined ever since his downfall a little over a year ago, is so placid and so unattractive that it neither invites the attention of the Pekingnites nor arouses the curiosity of the newspapers here. Though situated in the very center of the largest city in China and one of the largest capitals in the world, Yi Ching Lou today is so far away from the meddling crowd that it is virtually lost to the life of the Chinese people. It is a society by itself. Except a few politicians who are still interested in the liberation of the former President of China, the people in general do not appear to remember or to recall his existence at all.

Closely guarded by armed sentinels, who do not receive orders from him, Marshal Tsao Kun is most vigilantly watched in every movement he makes from the time he gets up in the morning to the time when he goes to bed every evening. That he is a political prisoner is a well-known fact. He is not free to move about, but within the confines of Yi Ching Lou, he enjoys absolute freedom. Anything short of committing suicide, he is free to do without being interfered by the armed guards, who are posted there for his protection nominally, but principally for the purpose of keeping an eye on him. Some time ago, the aged Marshal disguised himself as a servant, and in the garments of one of his domestics, he attempted to show a clean pair of heels for some place of refuge where a freer atmosphere prevailed. But his characteristic moustache betrayed his identity. He was discovered by the guards before he could get outside of Yi Ching Lou. He could have no choice but to return, to resume his quiet life! The guards have kept a closer watch on him.

Many Activities at Palace

For the last few months, the Presidential Palace has been a place of many activities. Aside from the Provisional Senate, the Commission on Military Rehabilitation, the Commission on Financial Rehabilitation, and a number of other organizations which all have their offices somewhere in the Palace, there are at least two other events which serve to disrupt the palatial serenity. The Special Tariff Conference is holding its sessions in Chu Jen Tang, which is Marshal Tsao Kun's former playground and which is but a few hundred yards away from his place of imprisonment now. The National Chinese Anthem, played at the opening of the Conference, was distinctly heard at Yi Ching Lou, it was said, and the soft wave of music could only bring back to him his bitter remorse. Still a few hundred yards away resides now Panchan Lama, the visiting pontiff of Tibet. The motley crowd of his religious followers, in their colorful and typical Tibetan garments, flow in and out of the Hsin Hwa Palace, which was until a year ago virtually a second Forbidden City in Peking, apparently enjoying much more freedom than a former President of the Chinese Republic.

Whether or not the life in Yi Ching Lou is a pleasant one none but its inmates can tell. But judging by the fact that Marshal Tsao Kun attempted to escape once before, the idea may be gathered that he did not at first take kindly to the confined life,

He may be used to it now. Whatever he might find as inconvenient and distasteful, he has, by living a life in solitude, been enjoying absolute freedom from disturbance, with none of the earthly troubles to bother him—troubles which were always in his way when he was the First Magistrate of the country. His more fortunate predecessor and another ex-President of China, who was given an equally ignominious treatment upon his retirement from the political stage, is enjoying himself under the protection afforded him in a foreign concession in Tientsin. Between the two, there is practically no comparison, as far as the question of personal freedom is concerned. One is a free bird, so to speak, and the other is in the cage. One has lately enjoyed a considerable amount of publicity owing to the persistent talk about his being restored to power, to complete the eighty-three remaining days of his term. The other is a political prisoner waiting for the judgement of the people. It was Marshal Tsao Kun who had by hook and crook forced Li Yuan-hung out, and at a cost of $5,000,000, he succeeded in getting himself installed in the Hsin Hwa Palace. It is a pure retribution of justice that as he worked so hard and spent so much to get in, he should be permitted to make best of his stay.

Invites Tuan Chi-jui To Play Chess

But Marshal Tsao Kun is whining in solitude. He has asked for company. It is an ironical turn of fate that he has but recently sent a brotherly epistle to Marshal Tuan Chi-jui, the Chief Provisional Executive, asking him to spend the rest of his days at Yi Ching Lou upon his retirement from the political stage. Though cut off from communications with the outside world, the news of General Kuo Sung-ling's revolt against Mukden was brought to his attention soon after it took place. Marshal Tsao Kun was obviously of the opinion that General Kuo Sung-ling's coup which would surely bring about the downfall of the Mukden War Lord, would so upset the political balance of power in Peking that Marshal Tuan Chi-jui could not hold on any longer as the Provisional Chief Executive. This belief was further strengthened by the report that the radical elements in Peking attempted at one time to force Marshal Tuan Chi-jui's immediate resignation. Seeing that the man who succeeded him has practically fallen into the same slough of despondency, and forgetting apparently his own troubles, he invited Marshal Tuan to join him. The letter was, it is said, written in Tsao Kun's own hand, and was sent to the Chief Provisional Executive under the date of November 29, when the political edifice in Peking was really shaken to its very foundation. Freely translated, Marshal Tsao Kun's letter reads as follows:

"My dear brother:-I have kept in strict confinement for more than a year now, for the simple reason that some of my subordinate officers revolted against me just about a year ago today. The circumstances which followed the conclusion of my administration were very much similar to those under which you have been laboring. I had the opportunity of settling the question of German Bonds during my administration, and when you assumed office, you did not hesitate to dispose of the Gold Franc question. I had in the Chihli party a Paoting clique and a Loyang clique, which vied with each other for political power and influence. Now you have the Anfu party, though its name has been officially repudiated. As the party is made up of those members from Anhui province and those from Fukien, each section endeavored to grasp the power of the Government. At this time of great political difficulty they have all left you, just as my followers had left me during my difficult time, in spite of the fact that they all claimed to be faithful to me and that I was most generous to them. They scattered like birds and animals, without the least feeling of affection for me or for you.

"What is happening to you today and the deplorable circumstances in which you are now finding yourself recall to my mind the most unpleasant past. We are practically in the same boat, so to speak; and for mutual sympathy, we should really stay together to console ourselves for the rest of our lives.

"With this purpose in mind, I have ordered that the East wing of Yi Ching Lou be immediately repaired and cleaned for your occupation if you should decide to join me here. I am no good at Chinese chess, although I have begun to learn something about it. I hope to spend most of our time together in playing chess, of which I know you are very fond."

This is surely a very interesting letter if it is genuine, for its authenticity is questioned in some quarters. It is, however, not denied by responsible authorities in Peking, and as a matter of fact some of the secretaries at the Office of the Chief Executive saw the actual text of it, written in Marshal Tsao Kun's own hand. But no one can tell in what terms the Chief Provisional Executive has replied to this kind offer, or whether he has answered at all. Marshal Tuan is known to be a great Chinese chess player, and it is for this reason that Marshal Tsao Kun offered to play chess with him at Yi Ching Lou though chess is not the favorite pastime of the ex-President. His favorite pastime is cooking meals for himself—a useful art which he acquired when he was a soldier in the army.

Peking, December 20, 1925.

Baptist Board States Stand on China Issue

A resolution passed a short while ago by the Southern Baptist Mission Board in Richmond, Virginia, and approved recently by the Central China Mission in Kiangsu Province states the position which this body takes with regard to the work of the special commissioners to the Tariff and Extrality Conferences in Peking.

The statement, which was communicated to the Secretary of State in Washington for the purpose of transmitting it to the U.S. Commissioner, both on the subject of Chinese customs and extraterritoriality, is in text as follows:

"The Foreign Mission Board of the Southern Baptist Convention has no desire to embarrass the Commissions to which this communication is addressed. However, the Board as a religious agency and representing one of the large evangelical Christian constituencies of North America, and having an extensive missionary and educational work in China, and as we trust an unselfish interest in the Chinese people, would assure the Commissions that it is our desire to see them treat the Chinese people with the highest respect and to treat with them on terms of equality and to seek such agreements on the international questions with which the Commissions are charged as shall prove to all men that the United States is willing and ready to deal with the Chinese and with all people and nations on the high principles of justice and right."

A British Merchant on China

The following letter, written by a British merchant in China, appeared in the November 12 issue of Fairplay, the well-known British shipping journal published in England. The article is republished here not because the Review is in agreement with all of the statements made, but because the views expressed are very widely held among foreign merchants interested in the trade of the Chinese Republic.

HAVING recently given you my views, for what they are worth, on the political and legal aspects of the present situation in China, I propose to worry you still further by treating the matter from a different angle, an angle that more closely affects the manufacturers, financiers and laborers of Europe and America than the foreign resident in China; my last letter dealt mainly with the interests of the latter, and might therefore be set aside by some people as selfish propaganda, so I shall endeavor to show in this one that not alone we out here, but you, too, in overseas countries, will suffer greatly should the Powers concede to China the point on which her political mouthpieces are now most insistent, *i. e.*, Tariff autonomy and rendition of "Extrality" rights.

To grant tariff autonomy to China to-day would be a disaster of the first magnitude to China herself. Under the present excellent and well-tested Customs system, organized and conducted by foreigners, the Government is assured of an income of sorts and, what is of vital importance, the Foreign Inspector of Customs sees to it that the services of the various Government loans are fully met before the Government touches a cent—without which Chinese bonds to-day would not be worth the paper they are printed on.

Remove the stringent foreign control of to-day, and what would happen? The local military official in every Province would most certainly confiscate the entire import revenue of his ports for the upkeep of his troops and the strengthening of his position *vis-a-vis* his rivals; the maritime Provinces would thus become very much stronger militarily, and politically, than the inland ones who would have no such income, and the result would be a new grouping of forces, the maritime men fighting to overcome the less wealthy inland men, and the latter struggling to oust the former and thus secure the import revenue for themselves.

Consequences of Tariff Autonomy

The only alternative left to the inland officials would be to increase the present iniquitous "likin" taxes to a point which would put them on the same financial level as their rivals, and thus we should have a burden of taxation on imported goods which would eventually strangle all trade. It's no use of Mr. Borah or others saying that this could not happen, because, it actually *is* happening to-day on a smaller scale throughout the length and breadth of the land in spite of Treaty stipulations to the contrary. The state of warfare that would follow would be interminable, and would probably lead to China's total dissolution as a political entity.

A Chinese propagandist will, of course, indignantly deny my statement that the Provincial authorities would filch the reveune, but he will find it hard to prove his case against the devastating evidence of the past 10/15 years, during which no revenue or taxes of any description (except those administered by foreigners) have got past the local authority to the Government exchequer; on the contrary, not only have the Provincial officials remitted nothing to Peking, but they have, at times innumerable, demanded funds from that quarter under threats, and occasionally got them, which is very different from the practice in the good old Manchu days when every Viceroy was compelled to remit a fixed sum to the Imperial Court, and was left to collar all he could earn over and above that (no questions asked!). That in reality, was a very good system for China, since it meant that all the Viceroys had a very distinct inducement to keep their expenses down, reduce their armies, and, above all things, avoid expensive domestic warfare such as we have had almost unceasingly under the Republican regime.

It will be obvious to you that, even if there were no other considerations, such a state of affairs as I have ventured to forecast would be highly detrimental to, if not wholly destructive of, all foreign trade in China, and it is unnecessary to assert that the main objects for which autonomy is claimed, *i,e.*, the unfettered development of the country's mineral and other resources, railway construction, forestry, etc., would never be achieved, or even approached. A fair proof of this lies in the fact that today a common practice amongst the militarists in the wooded inland districts is to cut down by forced labor vast areas of valuable timber and to dispose of same for the good of their own pockets, leaving the lowlands to suffer from destructive floods and general devastation—for the relief of which so many charitable people overseas have contributed such large sums in recent years.

I can confidently state that every European in China would gladly assent to the granting of Tariff autonomy to China if we thought that the country would be developed and improved thereby; after all, it must be clear to everyone overseas that we foreigners with our "all" invested in China are just as vitally interested in the advancement of everything Chinese as are the Chinese themselves, and that our opposition to autonomy is, therefore not mere bull-headed "stone-walling," but is due entirely to our conviction that, indescribably bad as things are to-day with foreign control over the Customs, Salt Gabelle and the Post Office, matters will become incredibly worse if these institutions are handed over to the Chinese under present conditions.

A Supposition Argued

Supposing, however, that we assume what seems utterly inpossible to-day, *i,e.*, that the Tuchuns would suddenly become "good little boys" and permit the entire revenue to go to the Central Government, and that this were honestly administered. There arises then a situation fraught with danger to the overseas trader. The immediate effect of granting Tariff autonomy on foreign trade would be a vast increase in import duties, which would probably be grossly discriminative, the discrimination being directed against any particular nation from time to time by the students or any guilds that happen to be "behind the throne" for the time being; hence, while to-day British goods would certainly be taxed out of existence, in five years time it might very possibly be American goods, if at that time America's policy towards China was not such as to meet with the entire approval of these guilds. Unfortunately, the natural weapon of a retaliating tariff would not be useable in this instance, as the world cannot afford to tax Chinese raw products out of existence. America, England, Germany and Japan, Hongkong and the Straits, cannot afford to do without supplies from China of silk, oil, beans, tea, hides, egg products, iron ores, fibres, groundnuts, lace, cotton, etc., the total value of which in 1914 amounted to 772 million Haikwan taels (about £125,000,000), while China could, at a pinch, do without overseas imports as she did for untold ages until the early years of the last century, the more so as she would then be manufacturing extensively herself behind her own tariff barrier.

Nobody is better aware of the above fact to-day than the Chinese propagandist, who has much to gain by the change and nothing to lose, but it remains for the overseas trader and manufacturer, as well as for labor leaders interested in maintaining constant employment for the European, American and Japanese workmen, to consider the tremendous dislocation of international exchanges, the closing down of factories catering for the China trade for generations past, the ships clearing in ballast without manafactured goods and returning from China full with raw products, that would result from autonomy followed by a high import tariff in China. Such a state of affairs would not, of course, occur in a year or two, but it would certainly develop in a generation or so, during which time China would have drained a great deal of the world's gold, thus putting herself in a position, with her vast self-supporting population, to snap her fingers at all and sundry. Japan could not possibly stand the pressure on her slender natural resources, and the result would inevitably be war, for unless she can retain what is practically her own market for her manufactured goods she is doomed economically. China with a protective tariff and a large export of raw materials might conceivably become a dominant political factor in the world and not impossibly a menace to the existence of less weathy and populous nations, other than Japan.

A minor point affecting foreign commercial interests would be the certainty of "graft" in the Custom houses and throughout the service generally, this apart from the fact that the Chinese would favor their own people against foreigners invariably. It has been the custom from time immemorial, and is more than ever so to-day, for the Chinese Government to pay its employees in all Government departments a very meagre wage and to openly permit these employees to make whatever they can "on the side." There is no such thing as punishment for "squeeze," and what would almost certainly happen would be that the Government would farm out the various Custom houses to rich speculators, who would pay the Government a fixed sum per annum and collar all they could make over and above that by fair or foul means. Naturally, he would "squeeze" the greatest possible amount in the quickest possible time by fines and confiscation of cargo and various other devious methods known only to Chinese officials, and it is here that the exporter of manufactured goods to China would be

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affected, as unless he submited to endless exactions it is quite certain that his trade would very quickly come to an end (I am still assuming, of course, that the Tuchuns would not confiscate the revenue for themselves). This system of "graft" and "farming" filters right down through all ranks of public service in China, and the foreigner would find goods held up and all sorts of delays and annoyances caused to him at the Custom houses unless he submitted to the age-old custom of the country—"Pay up or suffer."

Your Chinese propagandist in America will say that the above is all mere supposition and idea forecast, but I can prove to him up to the hilt, if called upon to do so, that every word I have written can be supported by innumerable instances in the past and of the present moment, that the system which I have described is the one and only system known to Chinese government departments.

The Railway Situation

The best proof of the truth of this is in the management of the railways, which provides a most appalling example of corruption, bribery, misappropriation of funds and every from of malfeasance that could be introduced into a public service. Ask any honest Chinaman how much of the railway receipts go to Peking and how much is seized by the Provincial Tuchun, and the answers must be "None" to the first question and "All" to the second; ask him two further questions: "How much have the militarists paid to the Government for the transport by rail of their various armies during the past ten years?" and the answer must be "Nothing," and "How much of the receipts they have re-invested for the upkeep of the rolling-stock and permanent way?" to which the reply would be "Only just the bare minimum to keep the wheels of the military train revolving and to hold the rails together.

Here an American tourist will interpose with the comment that he travelled on the famous "Blue Express" to Tientsin under ideal conditions; it is quite true that you can do so, but that one line from Shanghai to Tientsin is one of China's best efforts at "window dressing" for the hoodwinking of the outside world. That is the one line used by tourists who arrive by sea at Shanghai and want to see Peking before they die, and China has taken good care that they shall carry home with them, and duly advertise a most favorable impression of how successfully the Chinese can control such an important service as the national railways. The inference which would obviously be deduced by these tourists and by those who hear their views in overseas lands is of course, that, if China can conduct her railways so well, she is surely capable of conducting her Customs service equally well, and that is China's object in conducting so many unwitting advertising agents along that particular route. But take the other side of the picture—go to the back of the shop and forget the front window for the time being, and what do you see?

You will find on the Kin-Han and all other lines under Chinese control numberless soldiers, spies, secret service agents, students, etc., who have paid no fares, sprawling all over the first-class compartments and completely terrorizing the train staff; a junior officer and a few men commandeering a special train for themselves and running contrary to all signals, train schedules, etc., no freight being carried unless bribes are paid sufficiently large to satisfy everybody from the highest military official to the lowest coolie handling the goods—and even then your goods are likely to be side-tracked and held for further ransom if some petty official is in immediate need of funds; you will find that the man who pays most bribes gets most goods transported, and that the less wealthy competitor may see his cargo rotting in the sheds, there being no such thing as equity in dealings between a Government concern and a merchant in China, and you will see unbridled destruction of goods with no shadow of hope or redress from anybody. From whom could redress be sought?

You will probably ask what all this has to do with the question propounded for examination at the beginning, i.e., "How will the granting of tariff autonomy affect the overseas trader, financier, manufacturer and laborer?" The conduct of the railways in China will not directly affect these except so far as the free distribution and consumption of goods will be greaty hindered, and I have really introduced the railways (a haphazard example selected from a multitude of other similar ones) to show you how the Customs service is likely to be run under autonomous conditions. There is not a scrap of evidence to show that the Customs will be conducted in a manner a whit less disgraceful than the railways (etc.) are now being run to-day; nothing to show that the service will not come immediately under the domination of the military and be conducted under the same conditions of blackmail squeeze, bribery or whatever you like to call it as now prevail in railway circles, and, as the point of contact between the foreign trader and China will be at the Custom barrier, I have introduced the present railway system as "advance" evidence of how that barrier is going to be held, and to what discreditable depths the foreigner will have to descend before he can cross it with his goods.

As I have said, the railways are not the only public service of which the above might be written; one can state without fear of contradiction that no single government department, under purely Chinese control, has been, or is being, conducted in a manner otherwise than utterly disgraceful, and hence one is fully entitled to presume that the Customs service will fare no better.

There are, however, three departments being run on absolutely model lines, free from all corruption, each showing a handsome surplus, and, therefore, standing out as the sole bulwark against the financial collapse of China to-day—present Maritme Customs, the Post Office, and the Salt Gabelle. Senator Borah probably does not know it, but each of these services is entirely under foreign control, and each was originally organized for China's benefit by the British, who are held up as "pariah dogs" in China to-day, though numbers of other nationalities are now extensively employed. These three institutions shine as three very luminous stars in an otherwise murky firmament, and if they are handed back to the Chinese under present conditions the last edifices of anything approaching stability in China will crash like a house of cards, and the so-called friends of China who will have caused it will have proved themselves to be her worst enemies.

Lack of Protection Would Drive Foreigners Out

Another manner in which foreign trade would be adversely affected would be the closing down of most of the foreign firms in China except a few of the more adventurous ones, who would stay on and "take a chance." The reason for this closing down would be the total absence of protection under the Chinese legal system as described in my last letter, which would mean no redress whatever in commercial actions and eternal danger to life and liberty, and consequently a total disappearance of all security, a further reason would be the disgusing sanitary conditions which would very soon supervene in these Model Settlements, on which point there can be no difference of opinion, seeing that we need go no further inland for evidence of how Chinese conduct those than Chapei—right on our boundary. A shining example of how things are done there appears in the Press this morning in the form of a complaint by the residents that the drinking water supplied by the Chapei waterworks "is full of insects, frogs, fish and shrimps!" Every one of their public services is equally badly conducted, and they have not even an elementary idea of how to conduct a health, sanitary, public works or any other department. There is nothing to lead us to believe that they would control the Settlement, any better than they are now controlling their own districts, and hence life would gradually become intolerable here for the average Westerner.

The answer to this by the protagonist of the Chinese point of view is that the foreigners stayed on in Japan and are still there, and to this I would reply the Japanese vigorously set out by a course of stern discipline, training and study to fit themselves to govern foreigners, and they succeeded eminently; the Chinese have not done so, and are not making the slightest attempt to do so—in fact, as I have already said, they have retrograded rapidly since the Washington Conference.

Another answer which has already been given by so-called "friends" of China is that it really doesn't matter if the foreigners do leave the country—that, in fact, it would actually benefit the overseas trader, who would then ship direct to Chinese merchants and thus elminate the profit of the foreign importer at the port of entry. No greater mistake could possibly be made.

Here we come to the question of how the rendition of our "Extrality" rights (as distinct from Tariff autonomy with which I have been dealing so far) would affect the overseas merchant, and from what I have already written you will see at once that it will affect him chiefly through the law courts, where he would have to seek redress in commercial suits, and I think I have proved how little hope he would have of consolation from that source. The average overseas trader knows nothing of trade within China's borders and he is not generally aware that the "sanctity of the contract" is now a thing unknown in China, except amongst a very few of the older type of Chinese merchants. At one time a Chinese dealer's mere word was a law unto himself and to those who received it; to-day it is a thing to beware of—something to be "handled with tongs," and only valid so long as there is a profit to be made out of it. There has been a vast decline in business morality in this country in recent years; contracts are only carried out as, when, and how the Chinaman likes; if there are sharp

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losses on goods the dealers quietly disappear, dissolve their firms, state that they are *very* sorry, but the shareholders in the firm cannot be found, or else blandly cancel the contract and defy you to do your worst, knowing perfectly well that no foreign firm will nowadays go to the expense of taking them to court. In one month last year over 60 native firms acted in this wise and left the goods to the importing firm, who in no case, as far as we know, sought or received redress.

The Case of the Chinese Banks

The best possible proof of Chinese commercial immorality was given by the Chinese Bankers' Guild early in June this year, when, under orders from the students (boys of 12 to 18 years of age), these venerable institutions, notable in the past for their upright dealings and their adherence to their obligations, suddenly closed down and repudiated all their liabilities. They did not openly declare such repudiation, but they simply refused to pay cash against cheques sealed and signed by themselves, and this was not the action of one or two banks that found themselves in difficulties, but of every Chinese bank in this great commercial center. They maintained this policy for several weeks, and have now flatly refused to enterain claims for interest on overdue payments, giving no logical reason for so doing and knowing full well that, if a case is brought against them in court, the Chinese magistrate will see them sefely through it whatever the rights and wrongs of the case may be.

If you transpose the situation to your own country, what would happen there if the boy and girl students of your colleges and universities were to suddenly enforce the closing of all your banks with consequent dislocation of your entire fiscal system? Just ponder upon that question for a moment and you will see what has happened here in the past few weeks—everything dishonored shamelessly by a Guild of great institutions at the behest of children, without notice, without recompense or without even a mild expression of apology.

The picture of Chinese commercial morality which I have drawn for you is a truly dismal one, *but it is the one which the overseas trader, manufacturer and financier will have to envisage when he sets about scuppering the foreign merchant in China and trading direct with the Chinese at a saving of, at the most, a commission of 3 per cent on the value of his goods—for that is the most that we unfortunate importers here can ever hope to earn.*

Supposing an American trader contracts by telegram in June to ship a cargo of goods to a Chinese dealer in September? Everything will go very smoothly as long as there is a profit for the Chinaman, but, as soon as the reverse becomes true, the American will either be told that the contract is cancelled, or, if the goods have already been shipped, that the draft will not be honored. The shipper may say, "Oh, very well then, we'll simply sue the Chinaman in Court," and I admit that he may do so, but I assert that he will certainly regret it. It is quite possible that the Chinaman will claim that the goods are below standard, in which the Chinese Court will certainly uphold him, and the result will probably be confiscation of the cargo for the benefit of the native merchant, who will see that the judge is duly rewarded in due course. Incredible as that may seem, there is nothing impossible in that, as similar things are happening throughout the country all the time. Is the overseas trader prepared to accept that, which is only one of the many risks of trading direct with Chinese?

Of course, you may say that you could protect yourself by demanding a Confirmed Bankers' Credit at the time of placing the order, but, if you do that, it is a certainty that you will get no business, for you will find numerous competitors from Continental countries and smaller firms in England and America quite willing to take the risk, as they have been doing for the last few years, with the result that a great many of them have been blotted out of existence.

The only alternative left to the overseas trader, if he decides that it would be too dangerous to ship direct to Chinese, is to continue the present system by which European, American and Japanese houses carry on the business of importing and exporting, protected by their own laws and accepting all the risks of dealing with the natives. It is quite true that passing goods through our hands entails an addition to the cost by anything between 1 per cent and 3 per cent, but what do you get therefor? You get first of all absolute security—the certainty that you may sell forward to us with safety, and absolute certainty that your drafts will be duly honored, and that alone, being the rock bottom basis of all sound business, is surely worth while. But you get something else equally valuable, though less apparent—the benefit of our experience of 70 years' trading in China,

(*Continued on page 137*)

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The Customs Surtax and Famine Prevention

BY LAWRENCE IMPEY

EVER since the beginnings of Chinese history it will be found by those who make a study of social conditions that regularly recurring periods there have occurred famines of a devastating character, due as a rule to one of two causes, flood or drought. Those great rulers of a bygone day whose names are now historic in the annals of China devised and put into execution various schemes for the amelioration or prevention of these famines, either by irrigation works, canals, roads, or the building of state granaries for the storage of grain against the coming of the lean years.

It is difficult at this distance of time to decide exactly how successful these monarchs were in their attempts to safeguard their people, but one fact at least becomes evident during a study of their work, and that is that the spirit of public welfare which must have actuated them has practically ceased to exist in the China of the last thirty years, with the result that the havoc and misery caused by successive floods and droughts in various parts of the country has been so widespread that one who has not been here long can scarcely realize it to be true.

Floods a General Thing In China

The writer himself has been intimately connected with famine relief work of various kinds during the last five years, and he would say that the poverty and distress consequent on the famines which occur yearly in at least six provinces out of eighteen is of such a general nature that it is allowed to pass unregarded. Only when a dyke break sweeps some thousands of farmers suddenly from their farms and villages, many of them to return no more, does the catastrophe catch the eye of the daily press and the public becomes aware of the dire straits of their fellow men. As an example, the writer may quote from a report just sent him from Hunan, in which the Rev. C. G. Baker and Dr. J. N. Dugdale refer to conditions near Liuyang as follows:—"The people are mostly of the very poor agricultural class, and where the crops are scarce they have no money to buy food, which is very dear already and of a low food value. They have tried to overcome this scarcity by using substitutes, and in the Shi Ho and Lien Chi districts we were shown earth which the poor were eating and which if taken in any large quantity proved fatal. It was a strongly styptic substance, which we obtained specimens for examination, and is probably an ore of one of the heavy metals, but which the people had been told was the gift of the Goddess of Mercy to them in the time of their famine. We saw weeds of various kinds being prepared for food also, but some of these were of poisonous varieties, and most of the villages in these two districts reported deaths from the above causes."

A flooded city in Hunan Province during the terrible disaster of 1924, when the loss of crops and property was incalculable. *Courtesy the C.I.F.K.C.*

Here we have a brief and matter-of-fact account of conditions in just one corner of China, and if space and time permitted the writer could duplicate such facts from half a dozen other reports from different regions, all serving to prove that famines of one kind or another are occurring in different provinces with almost the regularity of clockwork. But it is useless to recapitulate mere facts or statistics unless one is at the same time ready to consider the possibility of ameliorative measures which may serve to remedy the ill and rescue the Chinese farmer from his plight.

Stable Government Needed

In seeking to devise a plan which will render possible even the gradual elimination of famine in China it must be recognized that one is faced with a tremendous problem. Most of the major ills which afflict the country today are directly or indirectly attributable to the lack of an effective and stable government, and the chronic ill of famine is no exception to the rule. At the same time it must be noted that the catastrophes which appear due to the physical and geographical features of the country, such as dyke breaks, inundations, etc, are also ultimately traceable to political misgovernment and neglect. Of course one must admit that the population of the great coastal plain of China has always been faced with the problem of food shortage, due to the fact that high birthrate has been greater than the soil could well support. The lack of transportation facilities has in the past rendered it difficult if not impossible for this aggregate of plain dwellers to import sufficient supplies from other areas on any occasion when a flood or a drought threatened to push them below the normal level of bare subsistance, and the absolute dependance of the people on agriculture has prevented them from having the time or the energy to create other wealth which they might exchange for food. We may observe from a study of the past that the canals, irrigation schemes, and granaries constructed and maintained by the state under a beneficent monarchy usually succeeded in tiding the people over a period of drought or flood unless it were long sustained, or unless a war had intervened to impoverish the resources of the government and break up its organization for the control of the country. Therefore, if the writer were asked to postulate any one effective way to improve conditions in China and consequently to render famines less recurrent and disastrous, he would say "Establish Good Government".

What is required is not so much the efforts of the charitably inclined as the establishment of a stable central control, in Peking or elsewhere, which shall give protection to the citizens of China so that they may labor and gather the fruits of their labor in peace. This government should respect private capital and thus release the vast sums which are needed for the development of the country's facilities for transport and its immense mineral wealth. Its benevolent control should establish a proper conservancy for the rivers of China, it should promote agriculture and develop forestry and carry out those irrigation and land reclamation schemes which are so vital to its welfare. What is needed is an honest government which shall not exploit the masses for the benefit of the few, an enlightened government which will encourage true education and abolish the farce which masquerades to-day in its guise. This ruling body should enact and enforce currency laws and make impossible the nefarious practices of the Chinese money lender, who has for yearf bled white the mercantile and agricultual population. All os these reforms are vital if the economic status of the people is to be improved and their margin of safe livelihood raised to a point where the loss of a crop will not mean actual and immediate starvation to large numbers of the peasant class. There is at the moment a so-called government in Peking which is clamoring for this that and the other concession and recognition from the Powers at the present Tariff Conference being held in the capital.

Let this government hold the mirror of conscience before itself and enquire how many of the foregoing conditions it has fulfilled in order to qualify as a good government and one in which either the people of China or the outside world may repose confidence. An unbiased observer will note on every hand the activities for civil war being pushed forward by

those who claim to control the country, while at the same time brigandage and rapine runs riot from one end of China to the other. He will see trade driven underground by the exactions of the militarists, while the unfortunate farmers are compelled by unjust and terrible taxation to grow opium on their land if they would live. In one stratum of society politicians and foreign adventurers compete for place and power, while beneath them runs the hidden stream of those who traffic in arms and opium to the ruin of both this country and the reputation of their own.

Failed to Heed Warning

A glaring example of the effect which the decay of government has had upon the situation in the provinces may be discerned in the floods on the Yellow River which have recently caused such tremendous losses in Shantung and which has deprived hundreds of thousands if not millions of the population of those fall crops which should have served to carry them thorugh the winter season. On September 20 the main south dyke of the river gave way and hundreds of square miles of territory were inundated. More than a month previously the inner dyke had failed, so that although this had given the authorities warning they had proved unable or incompetent to profit by it, in strengthening the outer embankment. Yet the problem should not have been a difficult one had there been any capable engineers on the work with adequate funds at their disposal.

During the time of Li Hung Chang the Yellow River Conservancy was unified under one director and the dykes were maintained from the border of Shensi province to the sea, a sum of $3,000,000 being set aside annually for this purpose. At present we find that the work of repair is entrusted to the Governors of the provinces through which the river flows, and the amount of funds available for dyke upkeep is limited by the ability or inclination of the particular Governor to pay. Judging by results it would seem that the expenditure of recent years could not have amounted to more than a few hundred thousand dollars, and even of that sum it is questionable how much went into honest repair and maintenance work. This example, which is only one of many, serves to show there is at present no governmental body or bureau capable of handling such emergencies, or of foreseeing and preventing them by constructive measures. At the same time there is the fact that the foreign Powers have approved the levy of a Customs Surtax, which should yield at least six million dollars, and have appointed a Commission to regulate the expenditure thereof. It has furthermore been suggested that at the Customs Conference the question of providing some dependable revenue for famine prevention work might be discussed, and a means decided upon whereby such funds could be administered. The author would be inclined to view such a proposal with great favor if only a plan could be worked out which should ensure that the funds so raised would be effectively applied to the task in hand. In order that this might be done it seems certain that a Sino-foreign body of administration would be required, for in the first place foreigners will naturally be apprehensive lest the funds be diverted for the use of certain military interests if left entirely in the hands of the Chinese governmental departments while on the other hand the Chinese will fear that official foreign co-operation may result in a wild scramble amongst the Powers for political advantage, as indeed would probably be the case.

Left: **The Peking-Hankow railway was cut in several places by floods—bridges being totally destroyed in some cases, and traffic delayed for over a week.** *Courtesy the C.I.F.R.C.*

Right: **A dyke breaks and the water pours through the half-mile gap. The other end of the break can be seen in the distance across the muddy torrent.**

Courtesy C.I.F.R.C.

Sino-foreign Cooperation Urgent

It therefore seems that an unofficial Sino-foreign organization to handle the problem is what is really required, and as an example of what this might be in its nature one may instance the already functioning China International Famine Relief Commission. Not that this body is by any means perfect, far from it, but it does exist and it is composed of benevolently-minded foreigners and Chinese who have no particular axe to grind and who are truly desirous of doing something to remedy the present deplorable situation. While recognizing that the real responsibility for famine prevention rests with the government this Commission has seen that officialdom in Peking is unlikely to do much to meet the needs of the people in distress for many years to come, and it has therefore undertaken to do what it can in a constructive way to improve conditions, operating under the belief that famines in China are or ultimately will be preventable.

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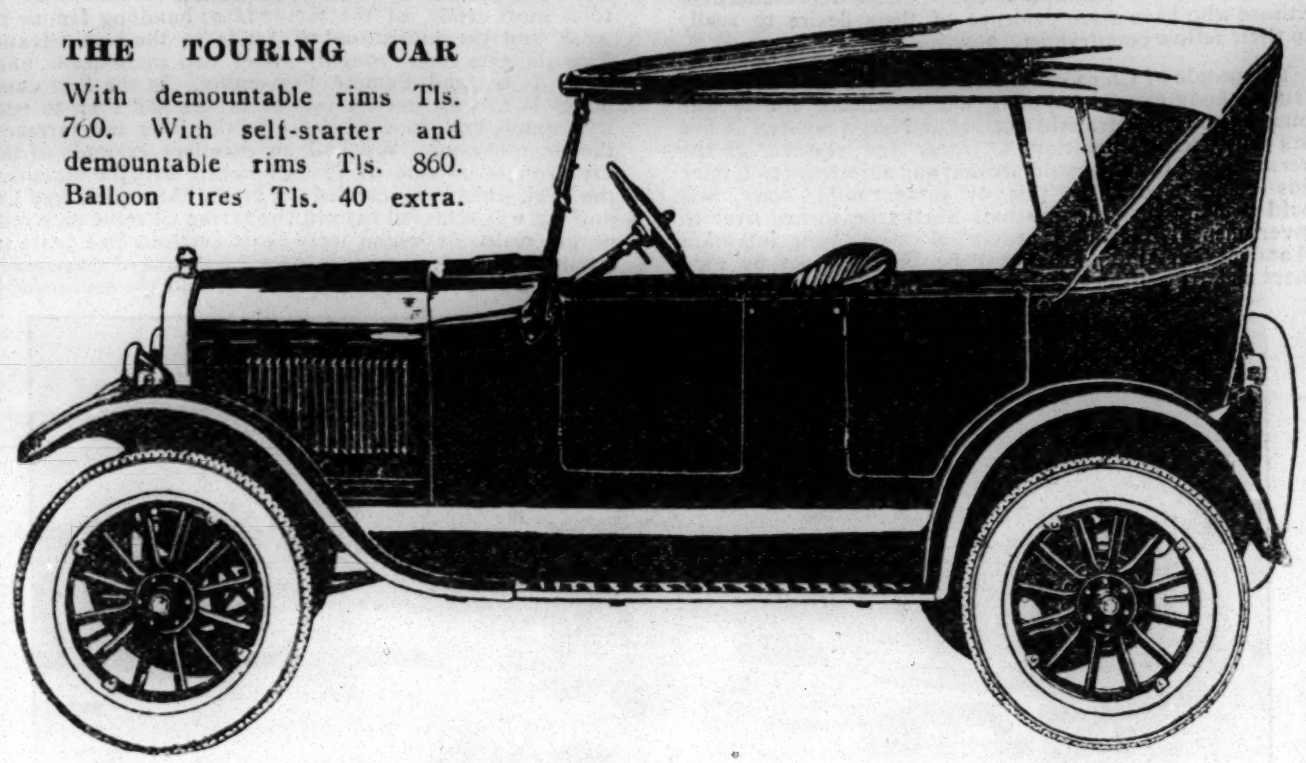

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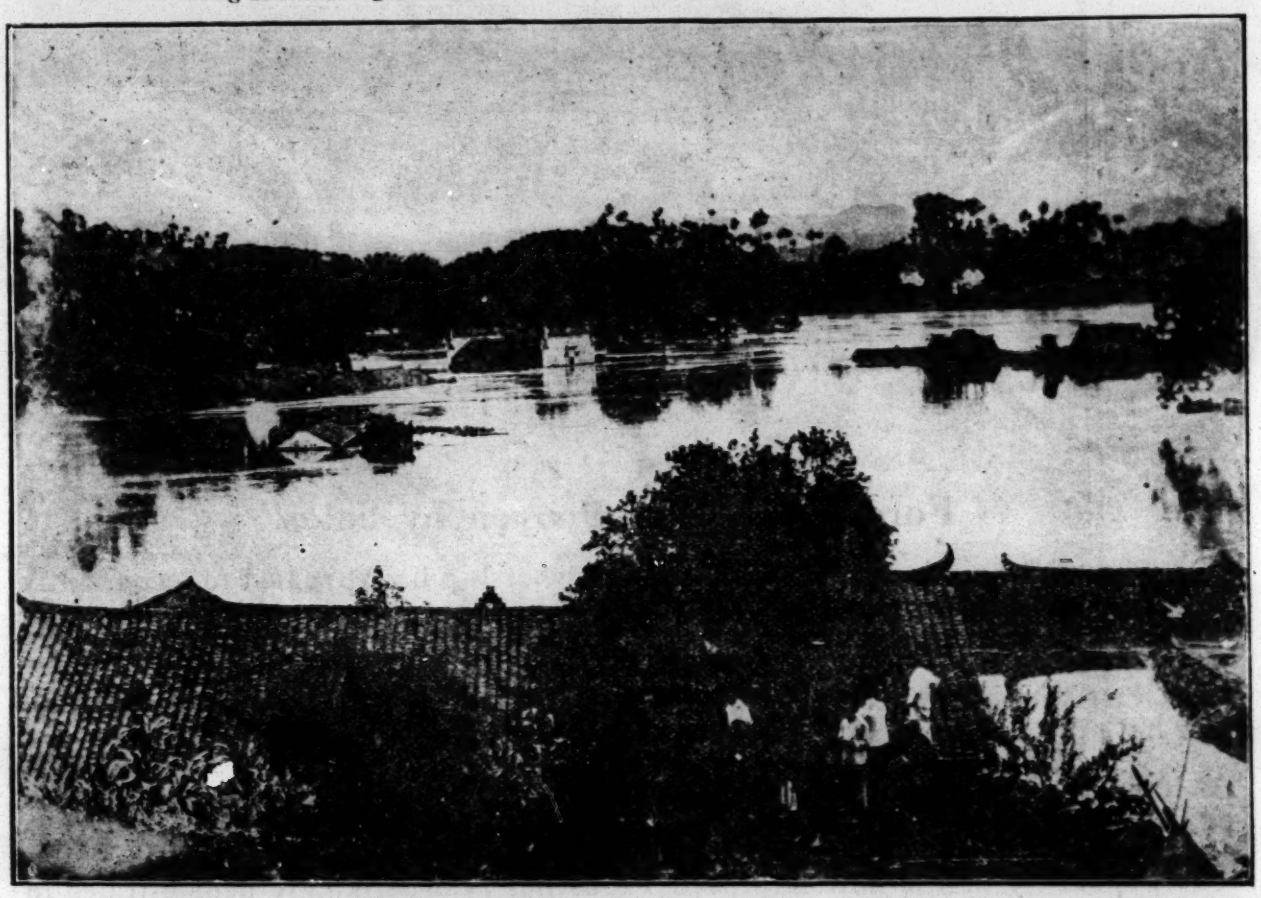
For these reasons it would seem to the author that the China International Famine Relief Commission or some analogous organization should meet the requirements of the famine situation from both the foreign and the Chinese point of view, it having equal representation from both sides. The foreign members are known and respected to all parties throughout China, and the Chinese representatives are those who have given evidence of their desire to really help their fellow countrymen.

The people of China can hardly fear that the operations of such a body can be anything but beneficial, for it was formed for purely altruistic motives and has a recored of five years successful operation to show for results. If the government of China should present any objections to famine funds being handled by this or some similar body, and should demand that the Customs Surtax be turned over to a governmental Bureau or provincial office, their intention will at once be plain and they will be judged alike by foreigners and all well-meaning and thinking Chinese.

the interior is vital, for without it international supervision is quite impossible and it may be apprehended that lacking such supervision nothing would be achieved.

Administering the Funds

We may now turn from a consideration of the provision of funds and the form of organization to administer them, to a short study of the methods of handling famine relief work and the utilization of funds to the best advantage. This question comes roughly under two main heads, namely, Free Relief and Famine Prevention. In the first case the policy is to wait until a famine occurs and then to rush in with funds and food in order to tide over the farmers till the next harvest. We had an excellent example of this in the drought famine of 1920-21 when, with the exception of the work which was carried out by the American Red Cross, nothing was achieved beyond the saving of some nine million people many of whom were again destitute two years later. One may say that in reality the expenditure of these millions of dollars in free relief in 1920–21 and the consquent lack



This picture gives an idea of what took place over a wide area in a valley in Hunan Province, where houses disappeared almost entirely under the rushing waters. *Courtesy the C. I. F. R. C.*

Accepting, then, that for the present time it is advisable that famine relief funds be handled by a Sino-foreign organization of an unofficial character, one may proceed to examine further the work and composition of the China International Famine Relief Commission in order to judge if possible what are its weak and its good points, in which case one may remedy the one and strengthen the other. One of the more important factors in the effective working of the Commission has been its Provincial system of representation, consisting of equal numbers of Chinese and foreigners who are willing to volunteer their services. These provincial Committees thus elected have the right to nominate one Chinese and one foreigner to the Commission itself, and it thus contains experienced members from Chihli, Shantung, Honan, Shansi, Shensi, Szechuan, Hupeh, Hunan, Kiangsi, Anhwei, Kweichow, Shanghai and the Metropolitan District.

This form of organization is important not only to ensure that each district has the opportunity of being heard as to its relative need for assistance, but also because the experience of the various provinces is thus made available for all.

If an official Commission were to be created to handle famine problems, it may be doubted whether such representation could be obtained, for the foreign members are missionaries or business men who have already their own work to consider and are only willing to serve as at present from altruistic motives. This question of foreign co-operation in

of any preventive measures, resulted in the disastrous floods of 1924 and 1925 in Chihli province which destroyed crops estimated at $300,000,000.

On the other hand the famine prevention schemes which have been undertaken by the China International Famine Relief Commission during the past four years in no less than nine provinces have turned out extremely successfully. Hundreds of thousands of acres of low-lying land which had been constantly under water and therefore useless from an economic point of view were reclaimed by means of dyking, and at present it may be noted that in these regained areas the crops are now dependable, and as a consequence the trade of the district has augmented to a figure which was entirely unprecedented. A reclamation scheme carried out in Hupeh at a cost of $135,000 has rendered possible a crop whose annual value is estimated at not less than $2,000,000, and this on land which was previously considered as of no value at all. In Chihli province the Ching Hai dykes were improved during the spring of 1925 at a cost of $58,000 and a district was thereby saved from inundation whose crops are assessed at some $5,000,000 annually. In Kiangsi province, also, famine labor was employed this year to reclaim enormous tracts of inundated land which will in the future grow a full crop of rice, and the people and even the officials of the province are so impressed with the work of the Commission and its engineers that they are giving every assistance in their power.

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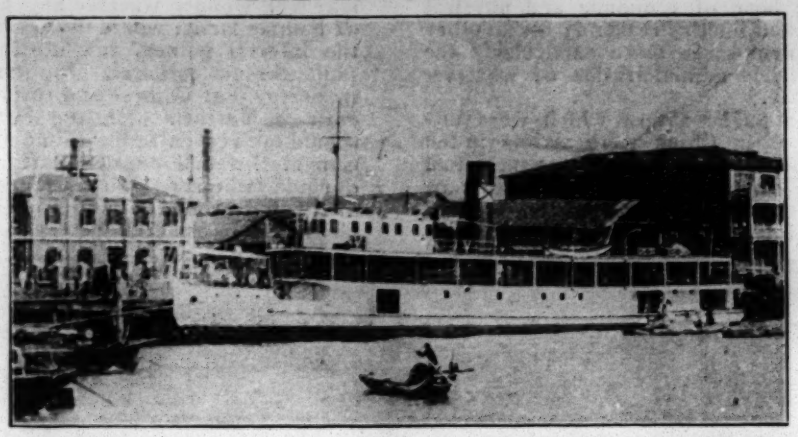

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These undertakings thus carried through by the efforts of the China International Famine Relief Commission may well serve to prove to us that the principle of giving relief in return for labor is the most efficient method of distributing famine funds, and it is upon the basis of this idea that the construction of public works of a famine prevention nature, and the development of the plan for a revolving fund for relief work, ultimately rests. When the writer first was engaged on relief work in 1920 he and his co-workers found that the normal occupations of the countryside were perforce abandoned during the famine and people were left more or less idle. Thus it was that the idea of givnig these famine sufferers employment rather than letting them be fed under conditions which must lead to social deterioration originated, and it was only later that it was recognized that this labor might best be utilized on public works of economic value to the community at large. To put it more plainly, it was only while endeavoring to formulate a method of relief which would automatically eliminate the undeserving and preserve the self reliance of the recipient, that this possibility of attacking the problem at its root by undertaking work of a preventive nature, was discovered.

The Population Problem

But at the same time it must be recognized that free relief cannot be entirely eliminated if one wishes to save all those aged, sick, and youthful who are likewise threatened by famine in a bad year. The only question to be debated under this head is whether the funds available are sufficient to carry through all those able-bodied people who are of practical value to the community and at the same time support a class which has relatively little economic importance. This may seem a cold-blooded way of considering the question, but it has to be recognized that not only are the funds which are available very limited as a rule, but also the population of most districts in China is so congested that to add to it a number of unfit who would perish under normal conditions is to gravely endanger the economic security of the rest. In this factor lies a danger which the writer is of opinion has not yet received sufficient recognition, for very few of those who are foremost in increasing the population by medical and famine preventive measures recognize that it is possible that disease and famine may be regarded as Nature's method of regulating the

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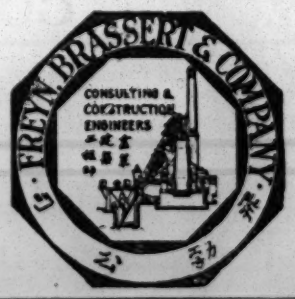

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economic pressure incident on an excessive birthrate. Granted that schemes of reclamation and dyking will render available for agricultural purposes hundreds of thousands of acres which are now useless, it may be well asked whether this increase in productivity will keep pace with the rise in population due to better living and health conditions. But if it be granted that famine relief is a project worthy of all possible support it is quite evident that it would be criminal to continue to rescue people from some passing disaster without giving them some hope of economic and physical security for the future, and for this reason if for no other the author would wish to emphasize more particularly the necessity for the best possible administration of whatever funds may be made available.

The first works of a public nature which were undertaken for relief purposes in China were mainly in the construction of roads in various provinces, and as these had no great financial value there was little possibility of obtaining some return for the money invested. But in 1922 during the construction of dykes on the Han River in which the writer was engaged it was realized that this work had the effect of increasing both the value of the land protected and the crop which it bore, so that the people of the locality could eventually afford to repay some if not all of the money thus expended on their interests. The Chinese Chambers of Commerce and the local gentry proved quite willing to recognize this by taking the relief funds as a loan repayable in two, three or five years, and bearing interest at 5%, and since then the principle of making grants on a loan basis has been consistently practiced by the International Famine Relief Commission, which has, as a rule, more calls on the two million odd dollars at its disposal than it can meet. Its resources are therefore utilized on a revolving basis whereby as fast as loans are paid off the funds become available for further relief work, or in the interim between famines, for the undertaking of projects of a famine preventive value.

The interior of what at one time was a house in Kalgan after the flood of July, 1924 had finished with it. The loss of life in this district ran into the thousands. About aquarter of the city was completely washed away. *Courtesy the C. I. F. R. C.*

Plan Suitable for Customs Surtax

This plan seems to the author to be eminently sane and satisfactory from all points of view, and he would like to urge that some such principle be adopted by the Commission which is to control the administration of the Custom Surtax. If for example, this Surtax should amount to five million dollars, its employment on a revolving basis as described above would, after thirty years operation, give to the country various Famine prevention projects and undertakings to a total value of $166,000,000, and there would still be in hand the original sum plus some portion of its accumulated interest. Here again one may pause to consider the financial aspect, for it appears that the interest accruing on the undertakings of the China International Famine Relief Commission with its capital of two million dollars is more than sufficient to cover the overhead costs of all the provincial Committees and the executive staff as well. One may well wonder whether any Chinese Government Bureau of Famine Relief would thus carry on its administration on the interest gained, and utilize all its capital for purely philanthropic purposes. The writer himself cannot see why, supposing that Chinese and foreign interests alike honestly desire to do their best to prevent famine in China, they should not recognize the China International Famine Relief Commission and constitute it an official body. It may be doubted whether either Chinese or foreigners can be discovered who are better qualified to carry out such a philanthropic undertaking than are those who are at present engaged therein, and if either party to the Administrative Commission allows either financial or political reasons to influence them into some other allocation of the Surtax funds than to a scheme or schemes of labor-giving relief operating on work of a famine preventive nature it will be a lasting discredit and reproach to them.

Even at the present time there are famine relief projects in no less than twelve provinces which require a total of more than eight million dollars for their successful execution though it may be admitted that the largest of these, costing three million dollars, is still in its inception. But the most pressing danger, that caused by the Yellow River floods, calls for an expenditure of more than half a million dollars, and the Commission's engineers are, by invitation of the Governor of Shantung busy investigating the extent of the disaster and the best means of remedying it, so that there is a clear-cut case for immediate action on the part of the Finance Commission appointed by the Chinese Government and the Diplomatic Body. If they, or the Members of the Customs Tariff Conference desire to confer a lasting benefit on China and one which will be a memorial to them long after they are dead and forgotten, they cannot do better than give their most earnest attention to the vast problem of famine relief and in attempting its solution earn the gratitude of millions yet unborn.

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JOSEPHINE C. WALKER
Administrator.
Shaowu, Fukien, China.

December 4, 1925.

(Continued from page 30)

our knowledge of her institutions national customs, of her methods of trading, financing and distributing goods, of her requirements and her limitations, and, above all, of our knowledge of the psychology of the people with whom we are dealing. Those are all very peculiar to China, and totally different from what exists in any other country, and without a thorough knowledge of them, you will find it impossible to carry on successfully a trade of any magnitude. There are a thousand pitfalls for the uninitiated and the unwary, and, if I may say so without appearing to be critical of other countries, it is just because the British and Japanese have this very necessary experience and knowledge in a greater degree than other nationalities that we have built up such a satisfactory trade for ourselves. *We* come here to settle down and live permanently in the country; others merely pass through it for a few years, hoping to get out wealthy in a little while, and therefore knowing little or nothing about the extraordinary psychology of the natives.

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Advance in World Prices

World prices of the requirements of daily life contiune to advance. The statistical reports of the Department of Commerce showing prices abroad of the principal articles imported in August, indicate an advance in the foreign prices of 54 important articles as compared with those of the same months of last year, while only 28 enumerated articles show reductions in the same period.

This comparison of the import prices in the latest period with those in the corresponding months of the preceding year, says the *Trade Record* of the National City Bank of New York, is an accurate picture of the advance or decline of prices the world over. The import regulations of the United States require that the stated valuation of the imported merchandise shall be "the actual market value or wholesale price at the time of exportation to the United States in the principal markets of the country from whence exported", and when we take the total quantity of India rubber, for example, imported in a given month and compare this with the stated value of all rubber imported, the average value per pound in all the markets from which it is drawn is readily determined. And this is also true regarding the foreign values of the many articles reaching us from the outside world, and a comparison of the import prices of August 1925 with those of the same month in last year or the average in any earlier year permits a determination as to whether the "market value or wholesale price" of the respective articles in the countries from which the imports are drawn has really advanced.

Applying this method to the official records of the import value of 80 principal articles imported, it appears that 52 of the 80 actually show higher prices abroad in 1925 than in the same month of the preceding year, and a comparison of these import prices of 1924 and 1925 with those of the fiscal year 1914, all of which preceded the opening of the war, makes it apparent that world prices of the principal articles of commerce are now much higher than in the pre-war period.

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Proposed Reforms in Kwangtung Red Army

BY HIN WONG

Comrade Chiang Kai-shek, of the Red Army, according to a Swatow report, is submitting a long memorandum to the war commissary of the Kuomintang in Canton relating to reform in the army organization and administration, altogether covering six points.

To prevent the development of militarism, Comrade Chiang recommends the abolition of the post of corps commander, making the division as the largest unit under one command in time of peace, thus discouraging any one commander from making himself so powerful as to be able to defy the government authorities. In time of war, a corps commander may be created for temporary service only.

Referring to the strength of the army necessary for the Province of Kwangtung, the number should not exceed what the Province is able to financially support and what is required to meet the enemy on the front. Comrade Chiang thinks that out of the $40,000,000 to $50,000,000 income of Kwangtung annually, 70 per cent may be spent on military preparation, some 20 per cent going to the divisions of military education, naval defence, aviation, arsenal, and fortification, the rest 50 per cent being allotted to the army. The army may in this way have from $20,000,000 to $25,000,000 a year. According to Comrade Chiang, the enemy of Kwangtung will always be the militarists in North China, who are able to turn out any time more than 200,000, and the Revolutionary, or Kwangtung Army cannot afford to have an army strength of less than 100,000 men. He thinks that Kwangtung Army should consist of 15 to 18 divisions, and the minimum expenditure cannot exceed $24,000,000. But these 15 or 18 divisions cannot maintain local defence and carry on a northern anti-militarist campaign at the same time, and to solve the problem, Comrade Chiang suggests the classification of the Kwangtung Army into two sections, a regular and a reserve.

It has been recommended by Comrade Chiang that the classification be made in April, 1926,—all the 15 or 18 divisions to be put under the section of regulars and all the labor and farmers' corps to become reserves of local or territorial defence. Regulations governing the organization and training of the troops of these classes should also be put into effect before April, says Comrade Chiang.

After the army reorganization as suggested, Comrade Chiang would suggest the following military stations and the strength to be assigned to each: The Military District of Kwangchow, three divisions; Namyung, Shiuchow, and Lienhsien, three divisions; Shiuhing, two divisions; Waichow, Meihsien, Chaochow (all East River districts), Yangkong, Yangchun, Kao-Lui, Yam-Lim, (all Southern districts) and Kiung-Ngai, (island of Hainan) all one division each. The exact place for the commanding headquarters of each is to be decided later.

On the question of military supplies and army payments, Comrade Chiang is in favor of a commissariat-general with the duty and responsibility of provisioning all units and paying all troops, and the division commissaries are charged only with the duty of supervising the distributions and payments. This, in his opinion, will check further needs of individual army units raising funds independently within their territory, a source of endless evils and corruption and a curse in past history. Comrade Chiang thinks that the pay for each enlisted man in the army should not be less than $10. and this should be paid regularly; and should funds be insufficient, he says it is better to diminish the strength. He also suggests several methods for economy and efficiency, including the establishment of factories on government account to supply the needs of the army.

Comrade Chiang also suggests the abolition of all the present numerous but inefficient and inferior military training schools conducted by the several commanders in the districts and the formation of a high grade military academy. He recommends that the present institution in Whampoa be utilized to fulfil the needs of a centralized school of military education, giving special attention to the subjects of army organization, army tactics, communication, war chemistry, army surgery, and artillery.

Comrade Chiang deplores the present condition of the arsenal in Kwangtung, condemning the materials and workmanship of its products as inferior. He suggests immediate improvement in the equipment of the plant, the addition of an ordnance factory, and a steel foundry, and says the

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improved arsenal should have at least the capacity for supplying all the needs for the expected northern anti-militarist expedition. Comrade Chiang recommends the employment of four Soviet Russians in the arsenal, two as superintendents of materials and two of works and, if necessary on account of lack of Russians to fill the positions in the newly established departments, Germans may be employed.

Referring to future enlistment of strength, Comrade Chiang advises against the enrolment of unpatriotic undesirables. He attributes the failure of the anti-Reds to their lack of morale to fight and the dependence of the anti-Red commanders on their troops to fight all the battles for them without their own exertion of strength.

Minor recommendations of Comrade Chiang include January 1 as the date for the centralization of army finance and supply and the prohibition of commanders using their own names and standards instead of the Army.

Hongkong, December 14, 1925.

News from South China

Upon the departure of the anti-Reds and the arrival of the Kuomintang Army troops in Southern Kwangtung, a committee of inhabitants representing Kao-Lui, Yam-Lim, Kiung-Ngai, and Lo-Yeung, recently issued a public address to the newly arrived militarists. In part, it says:

"We shall co-operate with the government in reducing the military strength of Tang Pun-yen in order to hasten the unification of Kwangtung Province. We expect that the local and the national tax proceeds, when collected, shall be accordinly distributed for the benefit of the local and the national government. We request that no more private but only provincial troops be stationed in our districts. Inter-district communications should be restored as soon as possible, but such arrangements should, if feasible, avoid touching Hongkong, while connections with Kongmoon should be restored at once. We encourage emigration but, at the same time, welcome the return of overseas Chinese to assist in the development of local industries. We demand the right of free speech, publication, and assembly, while condemning counter-revolutionary schemes. We support all measures for the organization of workers and farmers-labor unions and peasants' leagues. All propertisese of the traitors should be confiscated."

Mr. Kan Nei Kwong, one of the six provincial administrative supervisors sent out from Canton, is now in Southern Kwangtung, making his headquarters in Yeungkong. The statement was issued from Yeungkong after the arrival of Mr. Kan.

Since the defeat of the anti-Reds in Southern Kwangtung strike pickets have been sent to Pakhoi, and effort is being made to prevent communication between Pakhoi and "imperialistic" territory. Mr. C. L. Tan, a Straits-born Chinese who was at one time a clerk in the Bureau of Foreign Affairs in Canton, has been sent by the Kuomintang to Pakhoi to be the foreign commissar of the port.

To bring about a centralization of the provincial government of Kwangtung, the Red regime in Canton will henceforth classify the public revenue into two parts—national and local—the former going into the custody of the chief commissar of finance of the Central Executive Commission, the latter receiving the attention of the commissar of finance of the Provincial Executive Commission. Special collectors of revenue will be stationed in all district seats of government in Kwangtung who will be directly responsible to their superiors in Canton, and troop commanders will no longer be permitted to commandeer tax proceeds from local offices or impose unlawful assessments. Whether or not the militarists dominating the districts will accede to the policy fixed by the Red civilians in Canton is still a question, however, and this step towards improvement of financial administration will be watched with special interests. Since militarist domination of Kwangtung, the revenue of the province has been raised from a little over $40,000,000 to more than $70,000,000 a year, not counting the miscellaneous assessments and contributions exacted of the people by transient governments and troop commanders in the districts.

The Central Executive Commission in Canton explains that, in order to hasten the re-unification of Kwangtung Province, proper supervision of district governments is essential so as to bring them in accord and harmony with the ideals and policy of the Canton regime. Hence, six supervisors are assigned to visit the several districts, they being given the power to appoint and dismiss magistrates

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and review their acts. This supervision system, according to the Central Executive Commission, is only temporary; and as soon as centralization of government is feasible, all powers of supervision will be reverted to the commissar of administrative affairs of the Provincial Executive Commission, whose duties are corresponding to those of formerly the civil governor in Canton.

The Canton Merchants' Association has issued a notification advising all Chinese merchants, in their future contracts and business agreements with foreigners, to employ the Chinese language only.

In the course of the advice, it states that, in the past, in the use of foreign languages, it had worked disadvantageously to the Chinese merchants, as usually the interpreters employed were not thorough and what translation offered before the signature was only a general one. In many cases, while the articles of agreement in translated Chinese appeared to be suitable at the first glance, they later turned out to be quite a difference in legal and technical construction. Had they been in the Chinese language and the regular Chinese commercial documents used, disadvantages as had been suffered in the past would have been avoided.

The Chinese merchants in Canton will ask that henceforth all trade agreements made in China shall be in the Chinese language, that English or other foreign languages the other party using be considered only as secondary, if two languages are used. The Canton Chinese merchants will ask the Foreign Commissar in Canton to communicate the action of the Association to all foreign concerns through the proper consular channels.

The Chinese merchants suporting the action believe this will not only uphold the prestige of the Chinese language but also make future disputes rising from trade agreements and contracts based only on Chinese interpretation and not according to terms of a language which they do not really know when attaching their signatures to the documents.

Plans are being made in Canton to re-open the Canton Mint, which has not been in operation for nearly two years. In the absence of a provincial mint, many militarists have been turning out spurious coins to the detriment of the market, according to complaints recently lodged with the Kuomintang finance commissary. The commissar of finance expects to call a meeting of leading Canton business men in a few days with a view of inviting co-operation for the re-opening of the mint.

To convince the Canton public that the fear of state control of charitable institutions is not by any means bad, the Canton Municipal Council on December 11 invited a number of leading residents of the city to be its guests in inspecting the several hospitals and other departments controlled by the Department of Public Health.

The Canton Board of Health recently reported that it succeeded the other day in preventing a marriage between an ordinary young woman and a young man suspected of leprosy. A subsequent examination supported the action of the Department which is advising the woman to obtain a legal divorce in order to annul a ceremony which the official permitted to go through in order not to disappoint the number of guests present and before medical certification to the disease was issued by the proper authorities. From a ruling of the Department, a "go-between" or match-maker knowing a dreadful disease of a party concerned and yet arranging for a marriage is guilty of an unpardonable crime and should be prosecuted. Consequently a warrant has been issued for the identification and arrest of the match-maker who is suspected of having had previous knowledge of the health of the young man.

Canton, December 14, 1925.

News from Central China

Mr. Chen Chieh, Chairman of the Chinese Bankers Association and manager of the Continental Bank in Hankow, has been appointed Commissioner of Foreign Affairs for Hankow by Tupan Hsiao Yao-nan. Mr. Chen occupied the same position for three years until the spring of 1924 during which he showed his ability as a successful diplomat. He enjoys a very good reputation as a capable official, and is popular among the foreign officials and communities in the port. Since his return to Hankow last summer, he has repeatedly been persuaded by Tupan Hsiao Yao-nan to take the position, but he declined the offer, preferring to remain in the banking business. Very recently, he was again urged by Tupan Hsiao to accept the position, as Hsiao is confident of Mr. Chen's fitness for this important position, hence the appointment.

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Shanghai.

The Hupeh Committee of the China International Famine Relief Commission and the Hupeh Emergency Relief Society have established their joint offices in Hankow, for the purpose of a big Famine relief drive. Authentic reports from Chinese and foreign sources are now to hand, showing extensive famine in practically all parts of Hupeh. The present drive has the support of the officials and the Chinese and foreign communities.

Disturbed conditions are reported from Siangtan, Hunan Province, where the people are conducting an agitation against certain Japanese industrial interests in that district. The ground of grievance is alleged to be that the Japanese have injured several of their women workers. The men workers are now planning to hold an anti-Japanese demonstration.

The students of government schools in Wuchang have been arduously engaged in a renewed anti-Christian propaganda for the past few weeks. Notices of warning have been issued to mission schools, advising them not to observe religious rites in their schools. Particularly are the agitators interested in urging all Chinese Christians in this center to ignore the coming Christmas. They are seriously considering an anti-Christmas plan. The authorities in Wuchang, however, have taken the matter into their hands, and have stated that if it becomes necessary to close all schools in order to enforce discipline, they would not hesitate to do so.

Marshal Hsiao Yao-nan has issued a circular telegram denying the speculation that he might join up with Li Ching-lin and other forces of Fengtien, Chihli and Shantung against Feng Yu-hsiang. He said that he is supporting the stand of Feng Yu-hsiang in the present conflict, and fully agrees with Feng's conduct in the north. The report that Hupeh troops are trying to take advantage of the present crisis to enter Honan is also denied by Hsiao. However, recent events show that Tupan Yueh has already shown suspicion of the Hupeh forces on the Hupeh-Honan border, as he has ordered one division of his troops to move back to guard southern Honan.

A Japanese clerk of the Yokohama Specie Bank in Hankow, while out on a shooting trip by himself in the vicinity of Wuchang about three weeks ago, has never returned. All efforts to locate him have failed, and there is no way to ascertain what has happened to him. The magistrate of Wuchang has issued a notice offering $1,000 who can find him dead or alive.

Mr. Aitchen K. Wu, an adherent of Marshal Wu Pei-fu and formerly Commissioner of Foreign Affairs in Hankow, is said to have been appointed Director of the Telephone Administration of Tientsin by Tupan Li Ching-lin. Wu was sent to Tientsin some time ago by Marshal Wu to interview the Chihli generals on certain important matters, and his appointment hy Tupan Li is construed as an indication of repprochement between Wu pei-fu and the Fengtien faction.

Marshal Wu Pei-fu has been giving banquets almost everyday in the past fortnight, and the guests on different occasions were representives from all circles, including merchants, bankers, officials and politicians. In his after dinner speehes, Marhal Wu has made clear several essential points of his opinions toward the present situation. He reaffirmed his dislike for Chang Tso-lin. Tuan Chi-jui is regarded by Wu as selling the country. As to Feng Yu-hsiang, Wu said that Feng is a dangerous person now that he is trying to work with Soviet Russia in China. As a further proof of Wu's dislike for FengYu-hsiang is given by the fact that the native press in Hankow have recently published the secret treaty alleged to have been signed by Feng Yu-hsiang and the Soviet government at the request of Wu Pei-fu's secretaries.

The Allied headquarters in Hankow has tried to impose a salt surtax of $1.50 per picul in Hupeh to help defray expenses of Marshal Wu. The proposal has been opposed by the Hupeh Provincial Assembly, as it works hardship on the poorer classes who will find an increase of several coppers for every catty of salt they consume.

Communistic influence is making itself felt in Hupeh and Hunan provinces, where demonstrations against various things were recently held in Changsha and Wuchang by the disturbing elements and the students. In Hunan, the troops of Tang Seng-chi stationed at Yochow, have recently changed their name into the People's Army of Hunan, the same name as Feng Yu-hsiang's Kuominchun.

Hankow, December 19, 1925.

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International Labour Office
Geneva, Switzerland

A Survey of the Silk Industry of Central China

(Continued from last week)

YIELD OF COCOONS YEAR 1924

Averages

Province	CHEKIANG					Chekiang Avg.	Anwei Avg.	Grand Avg.
Districts	Hangchow	Kashing	Huchow	Shaoshin	Shaoshan			
Percentage of Different Grades of Cocoons								
Extra	30.7	31.2	36.3	44.5	34.2	34.1	47.9	34.9
No. 1	36.1	32.5	30.9	32.1	30.1	32.6	29.2	32.6
No. 2	11.6	19.1	14.7	6.7	13.7	13.8	12.1	13.3
Reelable	78.4	82.8	81.7	83.3	78.0	80.5	89.2	80.8
No. 3	.5	1.2	1.6	.6	.7	.8	2.1	1.9
Double	14.5	7.9	10.1	7.0	13.6	11.1	5.4	10.0
Pierced	.6	.8	.6	.5	.7	.7	—	.5
Refuse	1.4	1.9	1.9	1.9	1.1	1.6	—	2.0
Coloured	.2	.4	.5	—	.4	.3	—	.3
Cover/Floss	4.4	5.0	3.4	6.7	5.5	5.0	3.3	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Yield-Catties of Dry Cocoons For One Picul of Raw Silk								
Extra Net	414	400	400	410	407	407	360	399
No. 1 Net	461	466	508	513	496	484	402	487
No. 2 Net	719	644	783	661	734	715	509	660
Avg. Net	488	634	481	459	474	474	389	465
Gross	627	558	587	553	609	591	436	574

This study brings out three features of vital importance:—

First—The increased profit made possible to the whole silk industry by using high grade cocoons.

Second—The great value of good disease free eggs in producing high grade cocoons.

Third—The importance of making accurate tests on samples of cocoons purchased.

The average values obtained from these composite yield tests are given in the following table:—

General Average of Filatures

Cocoon Quality	Percentage of Cocoons	Yield in Catties	Manufacturing Expenses per picul of raw silk in Tls.
Extra	34.3	399	219 4
No. 1	32.6	487	222.9
No. 2	13.9	660	386.4
Total Reelable	80.8		
Wgt. Average		479	272.8
Gross Yield		574	

The manufacturing expenses per picul of raw silk are calculated according to the daily production of silk per basin and the over all expenses per basin, per day. The higher the grade of cocoons the higher the production; therefore, less expense. In calculating the manufacturing expenses the filatures in Shanghai usually assume a figure of Tls. 1.20 per basin per day for manufacturing expenses, which includes the following items:

Labor, reeling and general	Tls.505	42.3%
Light, heat and power	.240	20.0
Supervision and Management	.160	13.4
Rent	.095	8.0
Interest	.060	0.5
Miscellaneous	.090	7.5
Incidentals	.050	4.3
	Tls1.200	100.0%

The average income from miscellaneous wastes per picul of raw silk is Tls. 130 made up as follows:—

Double Cocoons @ Tls60 per picul	Tls35
Long Waste @ Tls200 per picul	45
Floss @ Tls100 per picul	24
No. 3 Cocoons @ Tls62 per picul	7
Refuse Cocoons	7
Chrysallis and Pellettes @ Tls3 per basin per mo.	12
	Tls130

(To be continued next week)

Men and Events

Mr. William Gray of the Trading Company, Shanghai, is on a business trip to New York. He expects to return the latter part of January.

The United States destroyers *Stewart, Pilsbury, Peary, John D. Ford* and *Trustun* arrived this week from Manila for a short stay in Shanghai waters.

Judge M. D. Purdy of the United States Court for China is out again after his recent illness and will hold Court again when the occasion requires.

Mr. L. M. Jee, manager of the Peacock Motion Picture Company in China, Wednesday evening gave an address at the Chinese Y.M.C.A. on "The Moving Picture Industry in China."

The China Navigation Company's steamer *Tungchow* while on its way from Shanghai to Tientsin was pirated by Chinese travelling as passengers on December 18, about 200 miles south of Weihaiwei.

Mr. Fletcher S. Brockman, secretary for the Far East of the National Council of the Y.M.C.A.'s of the United States, is expected to arrive in Shanghai on the *Shanghai Maru* on Saturday, January 2.

Mr. A. C. Stickley, of Chicago, has arrived in Shanghai as assistant to Mr. R. J. Tozer, general agent in the Orient for the Northern Pacific Railway Company. Mr. Stickley was formerly employed in the Chicago passenger office of the company.

Fifty million foot of lumber was taken from the Pacific Northwest to China, Japan and the Philippines in December by one steamship line alone, the Yamashita S.S. Company. The other trans-Pacific lines are also booking heavy lumber cargoes.

News has been received by the Procure des Missions Belges from their Central Mission Station, Ninghsia, Kansu, that Rev. Father Mevis, the Catholic priest who was captured last month by a gang of 30 bandits, has been released.

With the restoration of communication by rail all the foreign representatives to the Extraterritorialty Commission have arrived in Peking but the Legations have not as yet been informed when it is proposed that the Commission should begin investigating.

The United States Trade Commissioner, 3 Canton Road, Shanghai, is in receipt of a copy of the commercial treaty between the United States and Germany, concluded December 8, 1923 and proclaimed upon exchange of ratifications in Washington on October 14, 1925.

As this is the first of the full-blown commercial treaties negotiated by the United States under the new policy of unconditional most-favored-nation treatment, it is valuable for more than its bearing on the trade with Germany, since treaties with other countries may conceivably follow this model, at least in the general lines. The treaty is in the commercial library of the Trade Commissioner and is available for persual.

Arrested in Chapei for recruiting soldiers without proper authority from the headquarters of General Sun Chuan-fang, Tupan of Kiangse, three Chinese have suffered the full extent of Cheking military law. The three men were taken out at midnight last Sunday and shot.

The Admiral Oriental Liner *President Jefferson*, which reached Shanghai December 22, was known as the Christmas Ship. She left the states with 10,000 bags of Christmas mail for Japan, China and the Philippines. She had a capacity cargo of Northwest products and overland freight.

General Chen Chiung-ming, anti-Bolshevik leader from the south, is reported by the Chinese newspapers to have secretly arrived at Shanghai disguised as a Japanese to attend the funeral services of General Hung Shao-ling, who was assassinated on the *President McKinley* by a political enemy.

One out of every five white persons in the United States owns an automobile, according to the latest statistics. At present there are more than twenty million motor vihicles registered, which is an increase of two millions, notwithstanding the fact that a million vehicles were scraped during the year.

The Pan-Pacific Association met at noon Tuesday, December 29, at the Union Club. The Hon. V. K. Wellington Koo, former premier, presided. The speakers were Mr. Frederick W. Stevens, formerly American representative, International Banking Consortium and Mr. William M. Danner, secretary, the American Mission to Lepers, who talked on "Ridding the World of Leprosy."

The various conservancy schemes for the Hwai River is given in the December issue of *The Chinese Economic Monthly*, with a large map illustrating the propositions. Other articles of interest are: Chinese Government Railways, a survey; Sericulture in Shansi; Fur and Leather Trade of Suanhwa; phonetic Alphabet for Railway Telegraphing and Studies in Chinese Economic Botany.

Dr. John R. Mott, general secretary of the National Christian Council of the Y. M. C. A.'s of the United States, and member of the Committee of Reference and Counsel of the Mission Boards of North America, is now in Japan enroute for a visit to the East Indies, Australia and New Zealand. He is expected in Shanghai this week-end and while here he will be engaged in several conferences having to do with the organizations with which he is connected. He will leave for the South about the middle of January. He is acompanied by Mrs. Mott.

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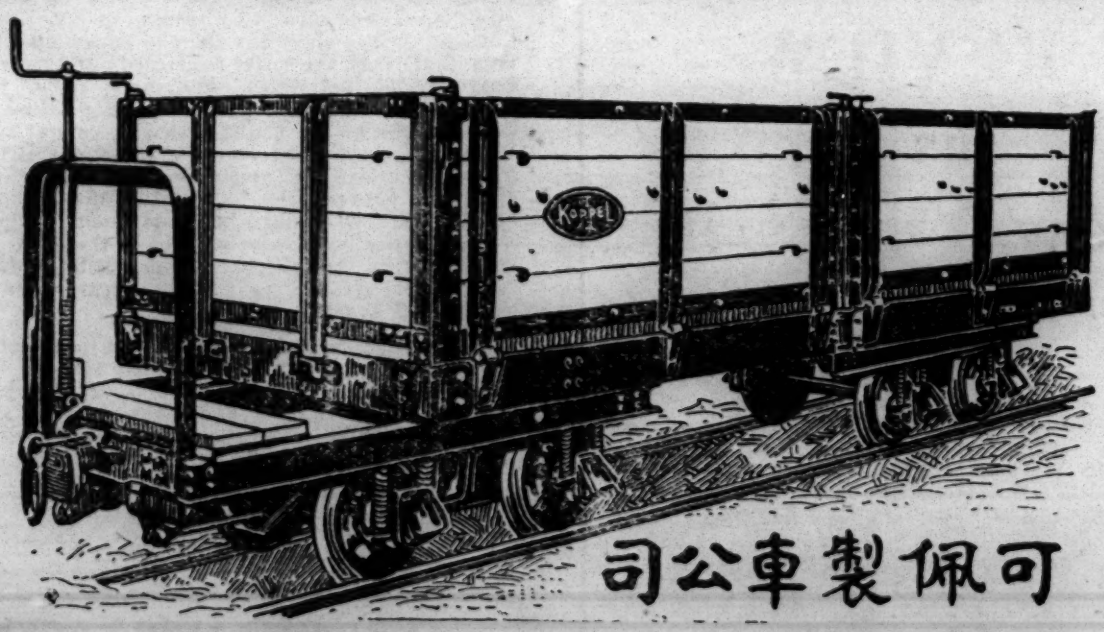

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New Book and Publications

Chinese Physical Growth

Process of Physical Growth Among the Chinese, Volume 1. By S M. Shirokogoroff. The Commercial Press, Ltd. Shanghai, 1925. Pp. VI, 137.

Inasmuch as the author of *Process of Physical Growth Among the Chinese* is indisputably the foremost living authority on the anthropology of the Chinese all who are interested in the subject of anthropology await eagerly the findings and conclusions which he publishes from time to time. Dr. Shirokogoroff was for many years anthropologist of the museum of anthropology and ethnography of the Russian Academy of Sciences and his earlier writings are mainly in Russian; mainly to the Bolshevist revolution in his homeland does Shanghai owe the pleasure of having this distinguished scholar as a resident. His other volumes which have been published in Shanghai in the English language during the past two years have appeared under the imprimatur of the North China Branch of the Royal Asiatic Society. It is a matter for congratulation that the Commercial Press now finds it possible to bring out so valuable a technical work as the one under review—a book which in the nature of things can have but a comparatively limited appeal. To the R. A. S., however, goes the credit for "introducing" Dr. Shirokogoroff to the general public of the Far East.

The reviewer frankly admits his inability to do justice to the more technical aspects of this volume: only a trained anthropologist is fitted to do this, and unfortunately there are few such in this part of the world. Much value and pleasure are to be found for the mere layman in this book, nevertheless, and it is with pleasure that we direct the special attention of two groups of professional men to the volume—namely medical men, and directors of physical education. The author frankly and appreciatively states not only in his Foreword but in notes and text throughout the work his indebtedness to Drs. Appleton, Opponheim, and Merries of whose measurements he has freely availed himself.

The volume under review is the first of a series based on study of Chinese youth in various regions of the country; this first study deals with Chekiang and Kiangsu. That Sociologists and students of history and government may find much of value, as well as the two groups mentioned above, is to be shown in Dr. Shirokogoroff's laying of the old bogey of the terrible undernourishment of the Chinese; he says (p. 77-8): "...the Chinese comparatively are not undernourished, but they are superior to some Europeans (Germans) and are very close to Americans.... The Chinese do not show any signs of undernourishment; more than that, they are better nourished during early childhood, and they do not differ very much either positively or negatively from other groups." On p. 81 he adds: "The huge population of China certainly cannot have lived in a state of undernourishment for thousands of years; so that this phrase can be understood only as expressing the difference between the food regime of the Chinese and that of observers who make the statement." The subject of racial "purity" and amalgamation, the idea of race "superiority," and the difference in susceptibility of Chinese and other racial groups to certain diseases are touched on pp. 90-91,99, and 115.

Lack of space precludes further consideration of this extremely interesting and valuable work. It deserves wide distribution, and careful study—all university libraries in China should and it is to be hoped that Dr. Shirokogoroff and his publishers may collaborate in the speedy publication of the other volumes of the series.

H. F. MacNair
St. John's University
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The Week in the Far East

The sudden turn of affairs in the Northern war zone, the publication by the Diplomatic Corps of the report of the Juducial Inquiry, and the capture of Tientsin by Marshal Feng Yu-hsiang command interest during the week under review. The students are especially busy again after a quiet spell, and, according to Peking and Tientsin papers, are demonstrating against the Japanese military "occupation" of Manchuria and who also are lively in special Christmas anti-Christian meetings.

Marshal Chang Tso-lin, who has been fighting with his back to the wall for several weeks to save his power in the Manchurian area, has apparently made a "come-back." Latest reports in Shanghai state that Hsinminfu, which had been captured by General Kuo, has been partly destroyed by an airial bombardment December 23 and that at the same time Marshal Chang Tso-ling launched a general attack along the whole front which resulted in advancing his armies to within two miles of Hsinminfu. His son is reported to have recaptured Chuliuho, another stragetic point. The sudden combined charge of the Fengtien forces caught General Kuo's men with unprepared positions in the rear resulting in general disordrely retreat with the Mukden air attack continuing at various points. It is stated that some of General Kuo's officers visited the Japanese Consul General at Hsinminfu on December 22 requesting him to mediate between the rival commanders. The request was made without General Kuo's approval, they stated, but they were prepared to sacrifice everything for reconcilliation providing a guarantee were given. Generall Kuo himself is reported to have been captured by Fengtien calvary while fleeing in the disguise of a coolie and later reports state that the General and his wife both had been shot to death at Mukden. The Japanese War Office confirms the arrest of General Kuo but as yet is unable to confirm the report of his death at the hands of the enemy. His death is later confirmed. As a result of the Fengtien victory, Mukden currency rose and business became brisker. Although Marshal Chang has apparently been victorious and will soon demand entrance into Mukden to resume full control, the Japanese War Office states that he would not be permitted to enter until all possibility of the enemy forces were removed. The Japanese Foreign Office is rather worried over the turn of affairs in Manchuria because of the fear that war will break out later between Chang Tso-lin and Feng Yu-hsiang.

Feng's Troops Take Tientsin

Marshal Feng Yu-hsiang, who has been encircling Tientsin with his troops during the last few weeks, entered the city on the morning of December 24 after hours of heavy fighting and the loss of thousands of lives on both sides. The Chihli troops, under General Li Ching-lin, retreated from the station after a short fight. General Li Ching-lin sought refuge in the Japanese concession and later was reported to have left for Shantung down the Tinetsin-Pukow line with three trains of crack troops. The Kuominchun troops, under Marshal Feng, took full possession of the city by evening of December 24 and the advance guard is continuing the pursuit of the troops to the west. The foreign concessions were unmolested by the retreating troops.

General Li Ching-lin's whereabouts is not known, but it is the opinion in foreign circles in Tientsin that he is concentrating his forces at Machang with a view to link up with the Fengtien facton under General Chang Chung-chang.

In view of Marshal Feng's victory it is of interest to note the new list of Cabinet memners that has been composed by Marshal Tuan Chi-jui, Chief Executive, to be submitted to Feng for his approval. It is reported that if the Christian General approves of the list, a mandate will be issued making the appointments.

The Cabinet is reported to be as follows:—

Premier, Mr. Hsu Shih-ying, Foreign Minister. Dr. C. T. Wang; Finance Minister, Mr. Chen Chin-tao; Minister of Communications, Mr. Kung Hsin-chan; Minister of the Interior, Mr. Yu Yao-jen; Minister of Justice, Dr. Wang Chung-huai; Minister of Education, Mr. Chang Meng-lin; War Minister, General Chia Teh-yao; Minister of the Navy, Admiral Lin Chien-chang; Minister of Agriculture, Mr. Yang Shu-kan.

Judicial Inquiry Report Published

These are mostly followers of the Christian General, Mr. Chang Meng-lin is regarded as the leader of the "Reds."

The report of the Judicial Inquiry Commission, which investigated the May 30 shootings at Shanghai, were published last Wednesday, December 23, by the Diplomatic Corps, together with the report of the Diplomatic Commission which meet in Shanghai in June, a letter from the Chairman of the Municipal Council of Shanghai, dated December 21, and similar documents. Both the British and the Japanese Judges exonerate the Shanghai Police Department, while the report of Justice Johnson, the American member of the Commission, finds that the firing was justified in certain circumstances, but blames the police for permitting the situation to develop, asserting that Commissioner McEuen's absence from duty was unjustified while his presence and personal direction "might have saved the lives of some innocent persons." The letter of the Chairman of the Municipal Council, Mr. S. Fessenden, which was given out at the same time as the Judicial Report, says that notwithstanding the fact that a majority of the Commissioners exonerate the Police from blame, Commissioner McEuen and Inspector Everson had tendered their resignations and that the Council, "preferring, as always, to take action likely to promote a peaceful settlement of questions at issue, had decided to accept the resignations with an expression of appreciation for the meritorious services which had been rendered by these officers in the past."

The letter from Mr. Fessenden also stated that the Council had sent a check for $75,000 to the Senior Consul for transmission to the Chinese Commissioner of Foreign Affairs for distribution among the wounded and relatives of those killed as a "compassionate grant." The Council also renewed its expression of regret at the May 30 occurance.

Students Protest Japan's Manchurian Policy

Although Chinese sentiment, especially among the student class, has shown outward manifestations of hostitily toward the action of Japan in sending additional troops into Manchuria in order to protect her nationals and property, no serious events have occured that would have any bearing on the policy of Japan. Demonstrations in Shanghai were halted and ordered to disperse by the Chinese military authorities acting under orders from General Sun Chuan-fang. The official attitude of the Japanese government, as published in various papers, is that the troops are being dispatched to the Mukden vicinity only for the protection of her interests. However, although that may be entirely correct, there does exist in Japan considerable feeling toward making Manchuria a "buffer" zone and a special sphere of Japan. Evidence of this is the recent interview of the *Manchurian Daily News* (Dairin) with Mr. Tejiro Yamamoto, prominent leader of the Seiyukai political party, who stated in the course of the interview that "Japan should openly declare Manchuria to be her special sphere and should make it a "buffer" zone from sheer self-preservation," although he did not favor armed aggression.

GENERAL NEWS SUMMARY

December 27—Shanghai Municipal Police Department exonerated by British and Japanese judges in Judicial Inquiry report while Justice Finley Johnson partly blames police for letting May 30 situation develop——Tientsin is captured by Marshal Feng's troops——Marshal Chang Tso-lin stages a "come-back"; General Kuo is arrested and shot together with his wife by Mukden troops——French Chamber votes approval of Government's Syrian policy——House of Commons votes approval of Government's policy in respect to Iraq——Coolidge confers with political leaders regarding American participation in Disarmament Conference of League of Nations.

December 28—The Indian National Congress shows much division among the Swarajists——Great Britain has formally denounced the old and futile Hague provisions regarding the status of enemy merchantmen in war——In Morocco the tribesmen are reported to be falling away from Abd el Krim——Another enormous oil merger directed by the Standard Oil Co. is reported——The strike at the Commercial Press is reported settled.

December 29—The French Cabinet is again facing trouble according to Paris papers——America is growing still more indignant over the Stevenson Act——A Court of Iuquiry into the piracy on the *Tungchow* is opened——A shocking launch fatality, 100 people being drowned, is reported on the Han river——The students of Wuchang are reported to be joining in the Anti-Christian movement, which the Tupan of Hupeh is resolved to repress——In Szechuan the boycott is reported to be growing visibly weaker.

December 30—MacMurray advises Washington that situation in North is much easier with Feng's victory over Fengtien——Chang Tso-lin decides to remain in office and grants amnesty to General Kuo's family——American Tobacco Company interests reported to have offered France government £100,000,000 loan for tobacco monopoly ——Severe cold spell sweeps over America; 20 deaths reported——London does not regard Russian attack in Northeast Afghanistan as serious——Turko-Russian Treaty contains clauses of mutual aid in case of trouble with third party.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Dec. 17th.	Sale Price Dec. 24th.	Approx. Yield to Maturity Dec. 24th.
Szecho-Slovak Govt. Sinking Fund Loan	8	Oct. 1, 1952	101	101	7.90
Cuban Domin. Sugar Co. 1st Lien S. F. Loan	7½	Nov. 1, 1944	93¼	93	8.25
Finnish Guaranteed Municipal S. F. Loan	6½	Oct. 1, 1954	90⅜	90¼	7.30
Republic of Chile S. F. Loan	7	Nov. 1, 1942	100⅜	100⅜	6.90
Paris Lyons Mediter. R. R. Co. S.F. Loan	6	Aug. 15, 1958	79	77⅛	7.95
Department of Seine S. F. Loan	7	Jan. 1, 1942	96⅛	96⅜	6.25
French Government S. F. Loan	7	Dec. 1, 1949	88¼	87⅜	8.15
German Government S. F. Loan	7	Oct. 15, 1949	101⅛	101⅛	6.90
Kingdom of Norway S. F. Loan	6	Aug. 15, 1943	101	101⅛	5.85
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	94⅜	94⅛	7.50
Can. Pac. R. R. Co. Debenture Stock	4	Perpetual	80¾	80⅛	4.97
Belgian Government S. F. Loan	6	Jan. 1, 1955	86	85⅛	7.20
Andes Copper Mining Co. Debentures	7	Jan. 1, 1943	97	97	7.30
German General Electric Co. S.F. Loan	7	Jan. 15, 1945	95⅛	95	7.50
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan	7	Feb. 1, 1945	92⅞	92¼	7.80
Cuban Northern RR. Co. 1st Mtge. Loan	6	July 1, 1966	93	92¼	6.50
Dodge Brothers Inc. Debentures	6	May 1, 1940	95⅛	95⅜	6.45
Republic of Finland S. F. Loan	7	Mar. 1, 1950	96	95⅜	7.40
Anaconda Copper Mining Co.	7	Feb. 1, 1938	96⅛	96	6.30
Free City Danzig, Republic of Danzig	7½	Nov. 5. 1945	96⅛	96⅛	7.90

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Y. M. C. A. Activities Is Presented In New Pamphlet

A brief review of the work of the Young Men's Christian Association in China is presented in a pamphlet issued by this organization entitled "Constructive Activities of the Young Men's Christian Associations of China."

From this report it is ascertained that there are at the present time 44,550 members belonging to this organization in the 42 city and 201 student associations. In charge of the work are 313 Chinese and 75 foreign secretaries. An attendance of 4,863 in day schools, 6,625 in night schools and 2,985 in special types of schools, 26,378 in free schools for illiterates, shows the scope of the educational work, while additional figures of 248,785 in attendance at special lectures, and 132,420 total attendance at reading rooms are recorded.

The total attendance at gymnasiums amounted to 226,414 according to the last annual report of the Y. M. C. A. The total years's expenditure to carry on work of national and local character amounted to $1,042,321.42 while the total value of property belonging to this organization is quoted at $3,315,942.00.

Other information included in this booklet is the work done at the national gathering of Y. M. C. A. secretaries which took place during last August at the Shanghai Baptist College, the work of the Association against illiteracy, its efforts in training for citizenship and its general connection with industrial and educational work in China.

Shanghai Exchange for Week Ending Wednesday, December 23, 1925.

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London has advanced $\frac{1}{16}$d during the week, today's quotation being 31$\frac{3}{16}$d. both ready and forward. Our official T/T rate on London has been raised to 3/1$\frac{1}{32}$d., caused largely by re-sales of Yen by our local Gold Dealers, who appear to have finished their sales for the time being, with the result that the market closes weak with nothing better than official rates offering for Gold remittances. Export 4 m/s paper can be placed at 3/1$\frac{3}{4}$d. sterling and 77 for Gold Dollars.

Our stocks of Silver are reported as follows:—

Sycee and Bar Silver.....Tls. 55,540,000 an increase of Tls. 107,000.

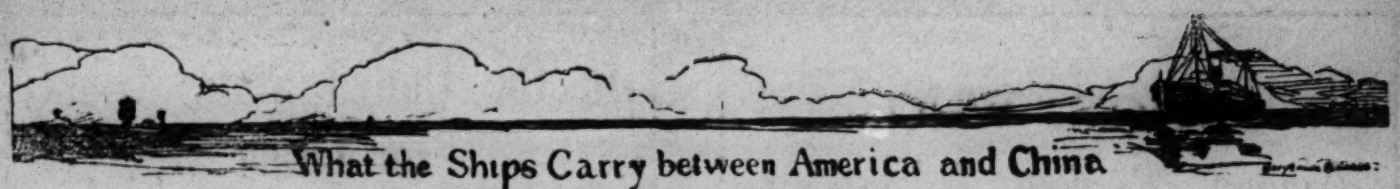
Chinese and Mexican Dollars.....$ 64,640,000 an increase of $ 460,000.

Estimated value Tls. 102 080 000 as against Tls. 88,326,000 held at this time last year.

	Average rates for Nov.	Thursday Dec. 17	Friday Dec. 18	Sat'day Dec. 19	Monday Dec. 21	Tuesday Dec. 22	Wednes. Dec. 23
Bk's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T London	3/1.390	3/1	3/1	3/1	3/1⅛	3/1⅛ 3/1⅛	3/1⅛
O/Dfts. ,,	—	3/1 11/16	3/1 11/16	3/1 11/16	3/1 11/16	3/1 11/16	3/1 11/16
4m/s ,,	—	3/1⅛	3/1⅛	3/1⅛	3/1⅛	3/1⅛ 3/1⅛	3/1⅛
T/T India	205.190	203	203	203	204⅛	204⅛ 205⅛	205⅛
T/T France	1,900.800	2035	2055	1965	1970	2025 2031	2080
T/T N. Y.	75.450	74⅛	74⅛	74⅜	75⅛	75⅛ 75⅜	75⅜
T/T Hong	77.160	77	77	77	77	77 77	77
T/T Japan	56.200	58⅛	58	57⅛	57⅛	56⅛ 56⅛	57⅛
T/T Batavia	186.010	184	184	184	185⅛	185⅛ 186⅛	186⅛
T/T Straits	75 640	76⅛	76⅛	76⅛	75⅜	75⅜ 75⅛	75⅛
Bk's buying rates 4m/s B/L. Cred. D. A	3/2.485	3/2⅛	3/2⅛	3/2⅛	3/2⅛	3/2⅛ 3/2⅛	3/2⅜
4m/s ,, D/P	—	3/2⅛	3/2⅛	3/2⅛	3/2⅛	3/2⅛ 3/2⅛	3/2⅛
4m/s ,, D A	3/2.855	3/2⅛	3/2⅛	3/2⅛	3 2⅛	3/3 3/3	3/2⅞
4m/s B/F. C., D/A, D/P	1,980 Poo	2113	2150	2065	2065	2120 2120	2160
4m/s N. Y. Lc.	77.445	76⅜	77⅛	77⅛	77⅛	77⅜ 77⅜	77⅛
4m/s ,, Does	—	77	77⅛	77⅛	77⅛	78 78	77⅛

Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Dec. 17	Dec. 18	Dec. 19	Dec. 21	Dec. 22	Dec. 23
*London Price of Bar Silver per oz (English Standard 925 touch) Pence	31 5/16	31 11/16	31 11/16	31⅛	31 11/16	31 11/16
**N. Y. Price of Bar Silver per oz. (Pure)	G.$.68¼	G.$.68⅛	G.$.69	G.$.69	G.$.69	G.$.69
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 281.00	Tls. 279.00	Tls. 278.0	Tls. 274.10	Tls. 276.00	Tls. 277.80
Shanghai Silver Bars (weight Tls 100 (C.) 999 touch)	111.00	111.0	111.00	111.0	111.00	111.00
Shanghai Mexican Dollars per $100	72.30	72.20	72.2375	72.2375	72.225	72.125
Native Bank Rate of Interest (Call-money)	4%	4%	2½%	4%	5%	5½%
*Closing Paice in London for Previous day						
**Closing Price in New York for Previous day						

Bank of Eng'and rate of discount	5%	London on Paris	T/T 133.24
Bank of France rate of discount	6%	New York on London	T/T 4.85
London open Market of Dis. 3 ms/.	4 1/16%	Bombay on London	T/T 1/6 3/32
,, 4 ,,	4 1/16%	Hongkong on ,,	T/T 2/4⅛
,, 6 ,,	4 1/16%	Kobe ,, ,, ,,	T/T 1/9⅛



What the Ships Carry between America and China

Return of the Shanghai Customs

By: Pls.—1 Picul or 133 1/3 pounds; Bls.— Bales; Pcs.— Pieces; Mill's—thousands; Hk. Tls.— Haikwan Tls., Nov. Customs Rate Tls. 1.15 equal Gold $1

S. S. President Monroe, Dec. 18, from U. S. A.

Cotton Goods, Unclassed	Yds.	1,512
Artificial Silk and Cotton Piece Goods	Yds.	476
Waterproof Cloth	,,	846
Silk Seals, with Cotton back	Catties	121
Cotton Knitted Clothing, Raised	Pls.	1
Copper Sheets	,,	15
Iron Channels	,,	79
,, Nails, Cut	,,	540
,, Pipe Fittings	,,	22
,, Pipes	,,	485
,, Sheets	,,	331
,, Washers	,,	98
,, Wire Shorts	,,	688
Iron, Galvanised:		
Bolts and Nuts	,,	11
Pipe Fittings	,,	4
Sheets, Plain	,,	98
Wire Shorts	,,	219
Leadfoil and Tinfoil, Mixture	,,	306
Tinfoil	,,	2
Tinned Plates, Plain	,,	2,063
Zinc Plates	,,	37
Apples, Fresh	,,	14
Asbestos Packing	,,	6
Asparagus, Canned	,,	8
Asphaltum	,,	334
Barley, Pearl	,,	56
Butter	,,	28
Cement	,,	1,681
Cheese	,,	4
Cocoa, Prepared	,,	3
Dextrine	,,	44
Fluorspar	,,	300
Canned Fruits	,,	74
Glycerine	,,	348
Indigo, Paste, Artificial, 20 per cent	,,	7,196
50 ,,	,,	22
Ink, Printing	,,	180
Leather, Kid	,,	1
Leather, Patent	,,	11
,, Sold	,,	122
Milk, Evaporated	,,	331
Oakum	,,	7
Oranges, Fresh	,,	7
Paper Unclassed	,,	22
,, Bank-note	,,	62
,, Blotting	,,	14
,, Cover	,,	8
,, Writing	,,	237
,, Unclassed	,,	1,568
Prunes, Dried	,,	8
Shrimps, Dried	,,	38
Sugar of Milk	,,	17
Sulphur, Black	,,	552
Tobacco, Leaf	,,	1,693
,, Prepared	,,	5
Wax, Paraffin	,,	589
Chocolate	Lb.	1,132
Bathtubs, Enamelled	Pcs.	234
Clocks	,,	322
Drums, Iron	,,	42
Lanterns	,,	22,308
Machines, Sewing and Knitting	,,	19
Motor-cars	,,	26
Motor-trucks	,,	1
Oilcloth	,,	1,541
Scales	,,	330
Trunks	,,	16
Typewriters	,,	58
Canned Fruits	Doz.	153
,, Meats	,,	22
,, Sardines	,,	367
,, Vegetable	,,	214
,, Goods Unclassed	,,	142
Coffee, in Tins	,,	45
Fruits, Preserved	,,	78
Files, Steel	,,	929
Handkerchiefs	,,	600
Hosiery	,,	100
Underwear	,,	86
Shoes, India-rubber	Pairs	4,518
Cigarettes	Mille.	70,100
Cigars	,,	40
Oil, Lubricating, Mineral	Galls.	17,679
Paint, Enamel	,,	80
Paints, Unclassed	,,	500
Varnish	,,	1,020
Dyes, Aniline, Pkgs. 52	Hk. Tls.	7,720
Machinery	,,	57,467
Timber: Silver Bars	,,	574,340

S. S. Siberian Prince, Nov. 27, from U. S. A.

Cotton Knitted Clothseg Raised	Pls.	6
Cotton Yarn, Grey, Counts over 45	,,	6
Iron Sheets	,,	604
Tinned Plates, Plain	,,	305
Grease	,,	399
Indigo Paste, Artificial, 20 per cent	,,	685
Paper, Waxed	,,	6
,, Unclassed	,,	32
Petrolatum	,,	161
Sugar of Milk	,,	202
Sulphur, Black	,,	169
Tobacco, Leaf	,,	78
,, Prepared	,,	5
Twine	,,	3
Wax, Paraffin	,,	3,274
Clocks	Pcs.	142
Typewriters	,,	58
Hats	Doz.	5
Cigarettes	Mille.	60
Oil, Lubricating Mineral	,,	170,880
,, Transformer	,,	5,500
,, Paint	,,	169
,, Unclassed	,,	295

S. S. West Himrod, Nov. 28, from U. S. A.

Timber: Softwood, Ordinary Sawn	Sup. ft.	502,190

S. S. Iyo Maru, November 30, from U. S. A.

Cotton, Raw	Bls. 125 Pls.	477
Fish, Salt	,,	533
Laths	Pcs.	247,700
Timber: Softwood, Merchrntable	Sup. ft.	46,233

S. S. Arizona Maru, Nov. 30, from U. S. A.

Copper Ingots	Pls.	840
Fish, Salt	,,	210
Gum, Resin	,,	761

S. S. Edmore, December 1, from U. S. A.

Tobacco, Leaf	Pls.	10,571
Cigarettes	Mills.	35,000
Timber: Softwood, Ordinary Sawn	Sup. ft.	99,697

S. S. Omi Maru, Dec. 4, from U. S. A.

Silk, Raw, Steam Filature: White, other Ports, Bls. 25	Pls.	20

S. S. Siberia Maru, Dec, 4,

To San Francisco:		
Silk Piece Goods	Pls.	0.93
Tea, Black, Hankow	,,	968
,, ,, Kiukiang	,,	11
,, Leaf, Unfired, 6ther Ports	,,	1
Feathers,	,,	126

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—An easier undertone has been experienced in our market during the week under review and which is attributable, on the one hand, to necessitated liquidation on the part of Bulls and on the other, to the continued steady declines in Mid-Americans and Indians, and while reactions have taken place in the New York market, our market remains quite steady. Insofar as actual business is concerned, native spinners being prepared to purchase at the current values, it is reported that a few thousand bales of local staples have been contracted for by them, however, the volume of business transacted on the whole was too small to affect the market, so that prices, at the close, still show a decline of Tls. 0.50 to Tls. 0.75 per picul to that ruling during the previous period.

Taking into consideration, therefore, the present situation in the cotton markets of the world, there is every reason to expect that price here have reached about its lowest level and that a reaction upward may sooner or later make itself felt, although there are those who anticipate the contrary.

Yarn:—Since our last, our market has been generally weak, with a further decline of Tls. 1.50 to Tls. 2,50 from last week's level. Business for export has been booked some 6000 to 7000 bales in all counts during the week under review. In summing up the situation from all sides, we are of the opinion that the yarn market will present a more appreciable outlook no sooner the political disturbances in the country are favorably adjusted.

Liverpool:—

American-Middling 9.92
„ -Middling last reported... 9.74
Tone of market, *Steady*.

Indian Market:—

Fully Good Bengal, Dec/Jan ...271
Fine Oomra, Dec./Jan.....319
Fully Good Broach, Apr./May..345
Tone of the market:—*Steady*.

New York Market:—

Price of Mid-American.	19.80	Spot.
	19.02	Jan.
	19.07	Mar.
	18.69	May.
	18.36	July.
	17.97	Oct.

Tone of the market:—*Steady*.

Shanghai Market:—

Tungchow, spot	Tls.	35.00
Shanghai, Dec	,,	33.00
M. Ginned, Dec	,,	34.00
Shensi, No. 1 Spot	,,	32.50
Ningpo, Spot	,,	30.00

Tone of the market:—*Steady*.

WHO'S WHO
Among *Review* Advertisers

PAGE

Admiral Oriental Line 139
Operators of the American Oriental Mail Line, freight and passenger Pacific service.

Bank of Communications 130
Complete banking service.

British-American Tobacco Company II
Manufacturers and distributors of cigarettes and tobacco.

Chicago, Milwaukee and St. Paul Railway 130
Continental railway (electrified.)

Chinese-American Bank of Commerce 142
Domestic and international banking service.

Chinese Cotton Goods Exchange, Ltd. 127
Dealers in Cotton and cotton yarn.

Dodwell and Company 142
Agents for the Underwood Standard and Portable typewriter.

Dollar Line IV
Round-the-World passenger and freight service.

Ford Motor Car Company 133
Manufacturers of the Improved Ford Car.

Freyn Engineering Company 135
Consulting and construction engineers.

Great Northern Railway 138
Trans-continental railway, The Oriental Limited

International Banking Corp 140
International Banking Service.

Kiangnan Dock and Engineering Works 135
Shipbuilders, boilder makers and dockowners.

Koppel Industrial Car and Equipment Company 145
Railway equipment manufacturers

Liggett and Meyers Tobacco Company 129
Manufacturers and distributors of cigarettes and tobacco.

Northern Pacific Railway 137
Coast-to-Chicago Passenger and Frieght Service.

Orlental Advertising Agency 143
Outdoor advertising in China.

Oxford University Press 146
Books and Stationery.

Peitaiho Agency The 146
Rentals and sales agents.

Squires Bingham Company 136
Reliable sporting goods.

Standard Oil Company of New York III
Socony-Petroleum Products—Branches all over the world.

United States Court for China VI
Court notices.

United States Steel Products Company ..... Back Cover
Manufacturers and distributors and steel and steel products.

Universal Winding Company VI
Manufacturers of winding machines.

Who's Who In China VII
Biographies of Chinese.

Trade Mark Page 141

The Auto-Castle — The China Jade Co.
The Lion Silk Store — Y. Sing Yee
Laou Kai Fook & Co. — Laou Kiu Chwang & Co.
Continental Construction Co. — O. I. C.
China Merchants Tob. Co. — "Chung Hwa Studio"
Gande, Price Ltd. — Agfa Products.

WHEN WRITING TO THESE ADVERTISERS KINDLY MENTION THE CHINA WEEKLY REVIEW

In the United States Court for China

PHILIP G. EASTWICK, Plaintiff, vs BEATRICE M. EASTWICK, Defendant.

Cause No. 2714
Civil No. 1074
SUMMONS

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant

Beatrice M. Eastwick,

and to notify her to be and appear before this Court on or before the sixtieth day after service hereof to file her written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China, December 8, 1925.

W. A. CHAPMAN
Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

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